

Jefferson County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE



JEFFERSON COUNTY, ARKANSAS
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Sen. Linda Chesterfield
Senate Vice Chair



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Rep. Sue Scott
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Roger A. Norman, JD, CPA, CFE, CFF
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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of and for the year ended December 31, 2013, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Jefferson County, Arkansas, as of December 31, 2013, or the revenues, expenditures, and changes in net position and where applicable, cash flows, thereof for the year then ended.

Basis for Qualified Opinions on Regulatory Basis of Accounting

The County's financial statements do not disclose all the required information concerning deposit and investment risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the omission of the information described in the "Basis for Qualified Opinions on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of December 31, 2013, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

Supplementary and Other Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the omission of the information described above, the information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT



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

Little Rock, Arkansas
December 17, 2014
LOCO03513

Arkansas

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Rep. Mary Broadaway
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House Vice Chair

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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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2014. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were qualified because required disclosures were not made concerning deposit and investment risks.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be 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 material weaknesses:

2013-1 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 from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

Entity's Response to Finding

The County's response to the finding identified in our audit is described above. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements 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 2013:

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

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

County employees received unauthorized payroll payments totaling \$214,539 during the period January 1, 2009 through December 31, 2013 as follows:

A. County Clerk's Office

- County Clerk Patricia Johnson paid bonuses to her employees totaling \$22,101 for the year ended December 31, 2013, which were not approved by the Quorum Court. To justify these payments, Johnson prepared payroll documents which indicated the employees were being compensated for overtime worked. The number of overtime hours reflected on this document (970) far exceeded the number of overtime hours actually worked (55) according to time clock reports. In addition, the County's personnel policy requires that salaried employees receive compensatory time rather than payment for overtime worked.
- Johnson paid bonuses to her employees totaling \$11,290, \$14,220, and \$6,443 for the years ended December 31, 2012, 2011, and 2010, respectively. These bonuses were not approved by the Quorum Court. Payroll documents indicate the employees were being compensated for overtime worked. However, the County's personnel policy requires that salaried employees receive compensatory time rather than payment for overtime worked.
- Johnson paid bonuses to her employees totaling \$6,650 for the year ended December 31, 2009 which were not approved by the Quorum Court.

B. Jail/Sheriff's Office

- Sheriff Gerald Robinson authorized payment of bonuses to some Jail/Sheriff employees totaling \$10,000 for the year ended December 31, 2013. These bonuses were not approved by the Quorum Court.
- Jail/Sheriff employees who resigned or were terminated during the period January 1, 2009 through December 31, 2013 received payment for unused holidays (\$87,685), accrued compensatory time (\$34,816), and unused sick leave (\$16,193) which is not allowed by the County's personnel policy.
- Several former Jail/Sheriff employees received overpayments totaling \$5,141. Most of these overpayments appeared to be the result of clerical errors made by the County Clerk's office.

Purpose of this Report

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

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "June M. Barron". The signature is written in a cursive style with a large, looping initial "J".

June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 17, 2014

JEFFERSON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,414,705	\$ 374,222	\$ 2,202,675
Investments	1,585,902	426,574	1,684,382
Accounts receivable	841,156	37,483	703,276
Interfund receivables			164,794
	\$ 3,841,763	\$ 838,279	\$ 4,755,127
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 363,380	\$ 201,845	\$ 199,643
Interfund payables	112,794		52,000
Settlements pending			1,048,143
Total Liabilities	476,174	201,845	1,299,786
Fund Balances:			
Restricted		636,434	3,273,952
Assigned	1,352,628		181,565
Unassigned	2,012,961		(176)
Total Fund Balances	3,365,589	636,434	3,455,341
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,841,763	\$ 838,279	\$ 4,755,127

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 742,560	\$ 2,077,256	\$ 1,040,845
Federal aid	107,549	778	165,358
Property taxes	4,162,159	1,549,834	542,952
Sales taxes	2,377,374		5,784,932
Fines, forfeitures, and costs	1,286,452		646,711
Interest	17,497	4,520	35,660
Officers' fees	491,199		207,322
Franchise fees	34,557		
Jail fees	1,981,131		
Recycling fees			32,957
Sanitation fees	1,408,698		
School district contributions			506,768
911 fees			1,276,725
Treasurer's commission	160,419		52,882
Collector's commission	970,829		84,053
Taxes apportioned - Assessor's salary and expense	648,864		
Other	1,291,094	113,245	79,413
TOTAL REVENUES	15,680,382	3,745,633	10,456,578
Less: Treasurer's commission	108,979	29,342	40,082
NET REVENUES	15,571,403	3,716,291	10,416,496
EXPENDITURES			
Current:			
General government	3,961,020		641,013
Law enforcement	11,603,172		2,665,180
Highways and streets		3,325,939	
Public safety	617,811		1,531,705
Sanitation	1,382,020		516,742
Health	102,349		
Recreation and culture	25,650		558,100
Social services	93,603		
Total Current	17,785,625	3,325,939	5,912,740
Debt Service:			
Lease principal		128,734	20,100
Lease interest		10,595	87
Note principal	13,471	63,936	39,173
Note interest	1,851	2,567	1,435
TOTAL EXPENDITURES	17,800,947	3,531,771	5,973,535

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,229,544)</u>	<u>\$ 184,520</u>	<u>\$ 4,442,961</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,591,246		380,885
Transfers out	(35,885)		(2,936,246)
Sales tax remitted to Economic Development Corporation			<u>(3,467,404)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,555,361</u>		<u>(6,022,765)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>325,817</u>	<u>184,520</u>	<u>(1,579,804)</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	3,034,266	584,461	4,775,916
Restatement adjustment	<u>5,506</u>	<u>(132,547)</u>	<u>259,229</u>
FUND BALANCES - JANUARY 1, AS RESTATED	<u>3,039,772</u>	<u>451,914</u>	<u>5,035,145</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,365,589</u>	<u>\$ 636,434</u>	<u>\$ 3,455,341</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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 802,682	\$ 742,560	\$ (60,122)	\$ 2,001,605	\$ 2,077,256	\$ 75,651
Federal aid		107,549	107,549		778	778
Property taxes	3,812,400	4,162,159	349,759	1,430,700	1,549,834	119,134
Sales taxes	2,300,000	2,377,374	77,374			
Fines, forfeitures, and costs	1,265,100	1,286,452	21,352			
Interest	19,050	17,497	(1,553)	4,000	4,520	520
Officers' fees	499,053	491,199	(7,854)			
Franchise fees	20,150	34,557	14,407			
Jail fees	1,582,300	1,981,131	398,831			
Sanitation fees	1,377,000	1,408,698	31,698			
Treasurer's commission	153,000	160,419	7,419			
Collector's commission	905,000	970,829	65,829			
Taxes apportioned - Assessor's salary and expense	620,000	648,864	28,864			
Other	1,485,694	1,291,094	(194,600)	453,528	113,245	(340,283)
TOTAL REVENUES	14,841,429	15,680,382	838,953	3,889,833	3,745,633	(144,200)
Less: Treasurer's commission		108,979	(108,979)		29,342	(29,342)
NET REVENUES	14,841,429	15,571,403	729,974	3,889,833	3,716,291	(173,542)
EXPENDITURES						
Current:						
General government	4,276,945	3,961,020	315,925			
Law enforcement	11,930,601	11,603,172	327,429			
Highways and streets				4,020,678	3,325,939	694,739
Public safety	453,954	617,811	(163,857)			
Sanitation	1,518,025	1,382,020	136,005			
Health	110,640	102,349	8,291			
Recreation and culture	25,650	25,650				
Social services	96,532	93,603	2,929			
Total Current	18,412,347	17,785,625	626,722	4,020,678	3,325,939	694,739
Debt Service:						
Lease principal					128,734	(128,734)
Lease interest					10,595	(10,595)
Note principal		13,471	(13,471)		63,936	(63,936)
Note interest		1,851	(1,851)		2,567	(2,567)
TOTAL EXPENDITURES	18,412,347	17,800,947	611,400	4,020,678	3,531,771	488,907

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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,570,918)	\$ (2,229,544)	\$ 1,341,374	\$ (130,845)	\$ 184,520	\$ 315,365
OTHER FINANCING SOURCES (USES)						
Transfers in	2,912,107	2,591,246	(320,861)			
Transfers out		(35,885)	(35,885)			
TOTAL OTHER FINANCING SOURCES (USES)	2,912,107	2,555,361	(356,746)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(658,811)	325,817	984,628	(130,845)	184,520	315,365
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	2,816,781	3,034,266	217,485	567,000	584,461	17,461
Restatement adjustment		5,506	5,506		(132,547)	(132,547)
FUND BALANCES - JANUARY 1, AS RESTATED	2,816,781	3,039,772	222,991	567,000	451,914	(115,086)
FUND BALANCES - DECEMBER 31	\$ 2,157,970	\$ 3,365,589	\$ 1,207,619	\$ 436,155	\$ 636,434	\$ 200,279

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory Fund Accounting

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by 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, Jefferson County Department of Correction Sales Proceeds, Drug Task Force, Sanitation, Adult Jail, Jefferson County 1992-A Escrow, Sales Tax, Family in Need of Service and Truancy, Environmental Enforcement Officer, Juvenile Justice, Weed and Seed, District Court, Federal Funds, Insurance, and Organized Crime Drug Enforcement Task Force.

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 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, Communication Facility and Equipment, Juvenile Justice, Recycling, Indigent Defense, Judicial Enhancement, Prosecuting Attorney, District Court Cost, Support Collection Cost, Boating Safety, Recorder's Cost, Jail Operation(Detention M&O, Detention Reserve, and Jail Operations), Emergency 911, Library, Tax Collector's Cost, Fire Equipment and Training (Act 833), Treasurer's Automation, Economic Development, Juvenile Justice Education, County Clerk's Cost, Voting Systems Grant, Circuit Court Automation, Reappraisal, Courthouse Security Grant, Arkansas Fish and Wildlife, Drug Court, Justice Equitable Sharing Program, E-waste Grant, Circuit Clerk Commissioner's Fee, Victims of Crime, State Homeland Security Grant Program (SHSGP), Law Enforcement Terrorism Prevention Program (LETPP), and Local Law Enforcement Block Grant.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The following Capital Projects Funds are reported with other funds in the aggregate: Jefferson County Construction and Watson Chapel Water District Generator.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Regulatory Fund Accounting (Continued)

Other Funds in the Aggregate (Continued)

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: Treasurer's Accounts – Administration of Justice, Property Tax Relief, Law Library, and Improvement Districts; Collector's Account – Current and Delinquent 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 Juvenile Justice Center; and Sanitation Account – Sanitation Department.

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at cost.

Settlements Pending

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

NOTE 2: Cash 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2013	
	Reported Amount	Fair Value
General	\$ 1,585,902	\$ 1,408,899
Road	426,574	378,963
Other Funds in the Aggregate	1,684,382	1,496,388
Totals	<u>\$ 3,696,858</u>	<u>\$ 3,284,250</u>

These investments are composed of the following:

Investment Type	December 31, 2103	
	Reported Amount	Fair Value
Treasury Notes and Mortgage-backed securities	<u>\$ 3,696,858</u>	<u>\$ 3,284,250</u>

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 37,628
Federal aid			7,410
Property taxes	\$ 55,174	\$ 10,568	
Sales taxes	190,931		464,670
Fines, forfeitures, and costs	64,713		23,055
Officers' fees	29,734		13,823
Franchise fees	14,000		
Jail fees	144,974		
Recycling fees			2,350
Sanitation fees	99,607		
911 fees			154,340
Collector's commission	214,354		
Other	27,669	26,915	
Totals	<u>\$ 841,156</u>	<u>\$ 37,483</u>	<u>\$ 703,276</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 363,380	\$ 201,845	\$ 179,206
Other			20,437
Totals	<u>\$ 363,380</u>	<u>\$ 201,845</u>	<u>\$ 199,643</u>

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2013	
	Interfund Receivables	Interfund Payables
General		\$ 112,794
Other Funds in the Aggregate:		
Special Revenue:		
Recycling	\$ 52,000	
Boating Safety	7,224	
Jail Operation	105,570	
E-waste Grant		52,000
	<u>164,794</u>	<u>52,000</u>
Totals	<u>\$ 164,794</u>	<u>\$ 164,794</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid in 2015.

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, 2013, the legal debt limit for bonded debt was \$71,362,745. 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, 2013, the legal debt limit for short-term financing obligations was \$21,498,110. The amount of short-term financing obligations was \$648,003 leaving a legal debt margin of \$20,850,107.

NOTE 9: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2013 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 520,554
Law enforcement			1,213,969
Highways and streets		\$ 636,434	
Public safety			822,174
Recreation and culture			717,255
Total Restricted		<u>636,434</u>	<u>3,273,952</u>
Assigned to:			
General government	\$ 127,547		
Law enforcement	1,012,649		
Sanitation	212,432		117,000
Capital projects			64,565
Total Assigned	<u>1,352,628</u>		<u>181,565</u>
Unassigned	<u>2,012,961</u>		<u>(176)</u>
Totals	<u>\$ 3,365,589</u>	<u>\$ 636,434</u>	<u>\$ 3,455,341</u>

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 10: Deficit Fund Balances

The following fund has a deficit fund balance as of December 31, 2013:

	December 31, 2013
Other Funds in the Aggregate:	
E-waste Grant	\$ (176)

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2013:

	December 31, 2013
Long-term liabilities	\$ 1,598,822
Construction contract	19,349
Total Commitments	\$ 1,618,171

Long-Term Liabilities

Long-term liabilities at December 31, 2013 are comprised of the following:

	December 31, 2013
Lease-purchase agreement with Scott Financial Services, LLC for a 2002 Caterpillar 140H motor grader; nine semiannual payments of \$18,557 through May 2016; Interest - 4.5%. Payments are to be made from the Road Fund.	\$ 86,766
Lease-purchase agreement with BancorpSouth Equipment Finance for a 2002 Caterpillar 12H motor grader; eight semiannual payments of \$14,184 through May 2015; Interest 3.49%. Payments are to be made from the Road Fund.	41,100
Lease-purchase agreement with Scott Financial Services, LLC for a 2011 Superior sweeper truck; two annual payments of \$20,187 due each December through 2014; Interest - 4%. Payments are to be made from the Recycling Fund.	19,400
Promissory note with Relyance Bank for courthouse HVAC system; 60 monthly payments of \$3,831 through August 2018; Interest 2.6%. Payments are to be made from the General Fund.	201,634
Promissory note with Simmons First National Bank for 2008 Gradall excavator; three annual payments of \$36,829 with a final payment of \$36,740 due each February through 2017. Payments are to be made from the Road Fund.	138,000
Promissory note with Simmons First National Bank for 2001 Caterpillar paver; three annual payments of \$21,350 with a final payment of \$21,265 due each February through 2017. Payments are to be made from the Road Fund.	80,000
Promissory note with Relyance Bank for 3 Mack trucks; three annual payments of \$28,157 due each February through 2016. Payments are to be made from the Road Fund.	81,103
Compensated absences	950,819
Total Long-term liabilities	\$ 1,598,822

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 11: Commitments (Continued)

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2013:

Years Ending December 31,	Notes	Leases	Total
2014	\$ 132,304	\$ 85,670	\$ 217,974
2015	132,304	51,298	183,602
2016	132,304	18,557	150,861
2017	103,972		103,972
2018	30,645		30,645
Total Obligations	531,529	155,525	687,054
Less Interest	30,792	8,259	39,051
Total Principal	<u>\$ 500,737</u>	<u>\$ 147,266</u>	<u>\$ 648,003</u>

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2013:

Project Name	Completion Date	Contract Balance December 31, 2013
Jefferson County Sheriff's Office Phase 1	February 2014	<u>\$ 19,349</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$35,885 to the Other Funds in the Aggregate (Jefferson County Construction Fund) to supplement capital expenditures. The Other Funds in the Aggregate transferred \$2, 591,246 to the General Fund for reimbursements and jail operations. Within the Other Funds in the Aggregate, the Jail Operation and Justice Equitable Sharing Program Funds transferred \$70,000 and \$275,000, respectively, to the Jefferson County Construction Fund to supplement capital expenditures.

NOTE 13: Prior Year Restatement

The January 1, 2013 fund balances were restated as follows: General Fund, Street Fund, and Other Funds in the Aggregate were decreased by \$66,556, \$132,547, and \$8,950, respectively, to recognize revenues in the year received by the County, in compliance with Ark. Code Ann. § 19-5-602. The General Fund and Other Funds in the Aggregate were increased \$37,299 and \$307,865, respectively, for funds previously not included in the financial statements. The General Fund and Other Funds in the Aggregate were increased and decreased, respectively, by \$39,686 to include the Organized Crime Drug Enforcement Task Force Fund (formerly the Local Law Enforcement Block Grant), which had previously been included in Other Funds in the Aggregate, in the General Fund. Also, the General Fund was decreased \$4,923 to correct a prior year error.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 14: Joint Venture: Pine Bluff and Jefferson County Regional 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 of and salaries of employees of the System. The County paid the Pine Bluff and Jefferson County Regional Library System \$550,000 in 2013. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

NOTE 15: Jointly Governed Organizations

Tri-County Drug Task Force

The Sheriff's Departments of Arkansas, Jefferson, and Lincoln Counties, the Police Department of Pine Bluff, and the Prosecuting Attorney's 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, 2013 to June 30, 2014, and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorneys of the Eleventh-East and Eleventh-West Judicial Districts. No contributions or payments for expenditures were made to the Tri-County Drug Task Force by the County. The 2013 financial statements of the Tri-County Drug Task Force have not been audited.

Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Arkansas Regional Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-703. The County did not provide any funding for the Southeast Arkansas Regional Solid Waste Management District. Separate financial statements may be obtained at P.O. Box 6806, Pine Bluff, Arkansas 71611.

NOTE 16: 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 16: Risk Management (Continued)

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 \$2,500 deductible per occurrence.

NOTE 17: 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, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

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. The County's contributions to the plan for the year ended December 31, 2013 were \$1,690,854.

NOTE 18: Tax Collector's Commission

Tax 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 19: 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 20 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 landfill operations 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 post closure costs.

NOTE 20: 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, 2013

Schedule 1

SPECIAL REVENUE FUNDS										
	Assessor's Amendment no. 79	Communication Facility and Equipment	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost	Boating Safety
ASSETS										
Cash and cash equivalents	\$ 21,698	\$ 95,700	\$ 26,699	\$ 27,389	\$ 66,482	\$ 27,863	\$ 24,398	\$ 6,551	\$ 178	\$ 1,752
Investments	24,733		30,433	31,221	75,782	31,761	27,811	7,467	203	1,998
Accounts receivable		2,573	8,078	35,425	4,314		1,987	1,169	63	
Interfund receivables				52,000						7,224
TOTAL ASSETS	<u>\$ 46,431</u>	<u>\$ 98,273</u>	<u>\$ 65,210</u>	<u>\$ 146,035</u>	<u>\$ 146,578</u>	<u>\$ 59,624</u>	<u>\$ 54,196</u>	<u>\$ 15,187</u>	<u>\$ 444</u>	<u>\$ 10,974</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable		\$ 3,046		\$ 29,035	\$ 4,049					
Interfund payables										
Settlements pending										
Total Liabilities		<u>3,046</u>		<u>29,035</u>	<u>4,049</u>					
Fund Balances:										
Restricted	\$ 46,431	95,227	\$ 65,210		142,529	\$ 59,624	\$ 54,196	\$ 15,187	\$ 444	\$ 10,974
Assigned				117,000						
Unassigned										
Total Fund Balances	<u>46,431</u>	<u>95,227</u>	<u>65,210</u>	<u>117,000</u>	<u>142,529</u>	<u>59,624</u>	<u>54,196</u>	<u>15,187</u>	<u>444</u>	<u>10,974</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 46,431</u>	<u>\$ 98,273</u>	<u>\$ 65,210</u>	<u>\$ 146,035</u>	<u>\$ 146,578</u>	<u>\$ 59,624</u>	<u>\$ 54,196</u>	<u>\$ 15,187</u>	<u>\$ 444</u>	<u>\$ 10,974</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS										
	Recorder's Cost	Jail Operation (Detention M & O, Detention Reserve, and Jail Operations)	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)	Treasurer's Automation	Economic Development	Juvenile Justice Education	County Clerk's Cost
ASSETS										
Cash and cash equivalents	\$ 14,286	\$ 123,729	\$ 295,718	\$ 329,916	\$ 50,983	\$ 28,043	\$ 12,221		\$ 75,838	\$ 11,220
Investments	16,284	141,038	337,088	376,069	58,116	31,967	13,930		86,447	12,789
Accounts receivable	5,453	196,251	154,340					\$ 278,802		1,313
Interfund receivables		105,570								
TOTAL ASSETS	<u>\$ 36,023</u>	<u>\$ 566,588</u>	<u>\$ 787,146</u>	<u>\$ 705,985</u>	<u>\$ 109,099</u>	<u>\$ 60,010</u>	<u>\$ 26,151</u>	<u>\$ 278,802</u>	<u>\$ 162,285</u>	<u>\$ 25,322</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable			\$ 36,014		\$ 28,141		\$ 477		\$ 9,844	
Interfund payables										
Settlements pending										
Total Liabilities			<u>36,014</u>		<u>28,141</u>		<u>477</u>		<u>9,844</u>	
Fund Balances:										
Restricted	\$ 36,023	\$ 566,588	751,132	\$ 705,985	80,958	\$ 60,010	25,674	\$ 278,802	152,441	\$ 25,322
Assigned										
Unassigned										
Total Fund Balances	<u>36,023</u>	<u>566,588</u>	<u>751,132</u>	<u>705,985</u>	<u>80,958</u>	<u>60,010</u>	<u>25,674</u>	<u>278,802</u>	<u>152,441</u>	<u>25,322</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,023</u>	<u>\$ 566,588</u>	<u>\$ 787,146</u>	<u>\$ 705,985</u>	<u>\$ 109,099</u>	<u>\$ 60,010</u>	<u>\$ 26,151</u>	<u>\$ 278,802</u>	<u>\$ 162,285</u>	<u>\$ 25,322</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Circuit Court Automation	Reappraisal	Courthouse Security Grant	Arkansas Fish and Wildlife	Drug Court	Justice Equitable Sharing Program	E-waste Grant	Circuit Clerk Commissioner's Fee	Victims of Crime
ASSETS									
Cash and cash equivalents	\$ 11,670	\$ 12,262	\$ 27	\$ 5,267	\$ 6,681	\$ 5,593	\$ 37,310	\$ 95	\$ 1,511
Investments	13,302	13,977	31	6,003	7,616	6,375	42,529	108	1,722
Accounts receivable	777				310		4,553	458	7,410
Interfund receivables									
TOTAL ASSETS	<u>\$ 25,749</u>	<u>\$ 26,239</u>	<u>\$ 58</u>	<u>\$ 11,270</u>	<u>\$ 14,607</u>	<u>\$ 11,968</u>	<u>\$ 84,392</u>	<u>\$ 661</u>	<u>\$ 10,643</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable							\$ 32,568		
Interfund payables							52,000		
Settlements pending									
Total Liabilities							<u>84,568</u>		
Fund Balances:									
Restricted	\$ 25,749	\$ 26,239	\$ 58	\$ 11,270	\$ 14,607	\$ 11,968		\$ 661	\$ 10,643
Assigned									
Unassigned							(176)		
Total Fund Balances	<u>25,749</u>	<u>26,239</u>	<u>58</u>	<u>11,270</u>	<u>14,607</u>	<u>11,968</u>	<u>(176)</u>	<u>661</u>	<u>10,643</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,749</u>	<u>\$ 26,239</u>	<u>\$ 58</u>	<u>\$ 11,270</u>	<u>\$ 14,607</u>	<u>\$ 11,968</u>	<u>\$ 84,392</u>	<u>\$ 661</u>	<u>\$ 10,643</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

	CAPITAL PROJECTS FUND	AGENCY FUNDS							Totals
	Jefferson County Construction	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Court Accounts	Sanitation Account	
ASSETS									
Cash and cash equivalents	\$ 56,561	\$ 195,727	\$ 10,405	\$ 123,944	\$ 132,387	\$ 264,520	\$ 452	\$ 97,599	\$ 2,202,675
Investments	64,473	223,109							1,684,382
Accounts receivable									703,276
Interfund receivables									164,794
TOTAL ASSETS	<u>\$ 121,034</u>	<u>\$ 418,836</u>	<u>\$ 10,405</u>	<u>\$ 123,944</u>	<u>\$ 132,387</u>	<u>\$ 264,520</u>	<u>\$ 452</u>	<u>\$ 97,599</u>	<u>\$ 4,755,127</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 56,469								\$ 199,643
Interfund payables									52,000
Settlements pending		\$ 418,836	\$ 10,405	\$ 123,944	\$ 132,387	\$ 264,520	\$ 452	\$ 97,599	1,048,143
Total Liabilities	<u>56,469</u>	<u>418,836</u>	<u>10,405</u>	<u>123,944</u>	<u>132,387</u>	<u>264,520</u>	<u>452</u>	<u>97,599</u>	<u>1,299,786</u>
Fund Balances:									
Restricted									3,273,952
Assigned	64,565								181,565
Unassigned									(176)
Total Fund Balances	<u>64,565</u>								<u>3,455,341</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 121,034</u>	<u>\$ 418,836</u>	<u>\$ 10,405</u>	<u>\$ 123,944</u>	<u>\$ 132,387</u>	<u>\$ 264,520</u>	<u>\$ 452</u>	<u>\$ 97,599</u>	<u>\$ 4,755,127</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, 2013

Schedule 2

SPECIAL REVENUE FUNDS									
	Assessor's Amendment no. 79	Communication Facility and Equipment	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
REVENUES									
State aid	\$ 8,692			\$ 390,864	\$ 2,474				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 38,313		56,532	\$ 59,023	\$ 82,396	\$ 14,025	
Interest	527	\$ 306	532	1,049	1,510	606		134	\$ 25
Officers' fees		47,020	58,813				730		1,740
Recycling fees				32,957					
School district contributions									
911 fees									
Treasurer's commission									
Collector's commission									
Other	110	80	1,130	55,623	678	7	287	169	22
TOTAL REVENUES	9,329	47,406	98,788	480,493	61,194	59,636	83,413	14,328	1,787
Less: Treasurer's commission	184		1,893	1,509	1,061	12	480	282	37
NET REVENUES	9,145	47,406	96,895	478,984	60,133	59,624	82,933	14,046	1,750
EXPENDITURES									
Current:									
General government	2,670								4,141
Law enforcement		62,998	79,845		42,002		22,413	13,759	
Public safety									
Sanitation				423,269					
Recreation and culture									
Total Current	2,670	62,998	79,845	423,269	42,002		22,413	13,759	4,141
Debt Service:									
Lease principal				20,100					
Lease interest				87					
Note principal				39,173					
Note interest				1,435					
TOTAL EXPENDITURES	2,670	62,998	79,845	484,064	42,002		22,413	13,759	4,141

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Assessor's Amendment no. 79	Communication Facility and Equipment	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,475	\$ (15,592)	\$ 17,050	\$ (5,080)	\$ 18,131	\$ 59,624	\$ 60,520	\$ 287	\$ (2,391)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out						(69,122)	(90,000)		
Sales tax remitted to Economic Development Corporation									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,475	(15,592)	17,050	(5,080)	18,131	(9,498)	(29,480)	287	(2,391)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	48,648	110,819	48,160	122,080	124,398	69,122	83,676	14,900	2,835
Restatement adjustment	(8,692)								
FUND BALANCES - JANUARY 1, AS RESTATED	39,956	110,819	48,160	122,080	124,398	69,122	83,676	14,900	2,835
FUND BALANCES - DECEMBER 31	<u>\$ 46,431</u>	<u>\$ 95,227</u>	<u>\$ 65,210</u>	<u>\$ 117,000</u>	<u>\$ 142,529</u>	<u>\$ 59,624</u>	<u>\$ 54,196</u>	<u>\$ 15,187</u>	<u>\$ 444</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, 2013

Schedule 2

SPECIAL REVENUE FUNDS									
	Boating Safety	Recorder's Cost	Jail Operation (Detention M & O, Detention Reserve, and Jail Operations)	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)	Treasurer's Automation	Economic Development
REVENUES									
State aid	\$ 3,725				\$ 68,755		\$ 77,751		
Federal aid									
Property taxes					542,952				
Sales taxes			\$ 2,313,973						\$ 3,470,959
Fines, forfeitures, and costs			126,152						
Interest	50	\$ 273	3,754	\$ 8,580	8,113	\$ 641		\$ 219	
Officers' fees		80,686							
Recycling fees									
School district contributions									
911 fees				1,276,725					
Treasurer's commission								52,882	
Collector's commission						84,053			
Other	36	971		10,749		1,011		3	
TOTAL REVENUES	3,811	81,930	2,443,879	1,296,054	619,820	85,705	77,751	53,104	3,470,959
Less: Treasurer's commission	61	1,628	19,667	5,587	4,997	1,694		4	
NET REVENUES	3,750	80,302	2,424,212	1,290,467	614,823	84,011	77,751	53,100	3,470,959
EXPENDITURES									
Current:									
General government		73,787				85,046		55,351	
Law enforcement			298						
Public safety				1,407,847			77,751		
Sanitation									
Recreation and culture					550,000				
Total Current		73,787	298	1,407,847	550,000	85,046	77,751	55,351	
Debt Service:									
Lease principal									
Lease interest									
Note principal									
Note interest									
TOTAL EXPENDITURES		73,787	298	1,407,847	550,000	85,046	77,751	55,351	

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Boating Safety	Recorder's Cost	Jail Operation (Detention M & O, Detention Reserve, and Jail Operations)	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)	Treasurer's Automation	Economic Development
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 3,750	\$ 6,515	\$ 2,423,914	\$ (117,380)	\$ 64,823	\$ (1,035)		\$ (2,251)	\$ 3,470,959
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out			(2,502,124)						
Sales tax remitted to Economic Development Corporation									(3,467,404)
TOTAL OTHER FINANCING SOURCES (USES)			(2,502,124)						(3,467,404)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,750	6,515	(78,210)	(117,380)	64,823	(1,035)		(2,251)	3,555
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	7,482	29,508	644,798	560,647	641,162	81,993	\$ 60,010	27,925	275,247
Restatement adjustment	(258)			307,865					
FUND BALANCES - JANUARY 1, AS RESTATED	7,224	29,508	644,798	868,512	641,162	81,993	60,010	27,925	275,247
FUND BALANCES - DECEMBER 31	<u>\$ 10,974</u>	<u>\$ 36,023</u>	<u>\$ 566,588</u>	<u>\$ 751,132</u>	<u>\$ 705,985</u>	<u>\$ 80,958</u>	<u>\$ 60,010</u>	<u>\$ 25,674</u>	<u>\$ 278,802</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, 2013

Schedule 2

SPECIAL REVENUE FUNDS									
	Juvenile Justice Education	County Clerk's Cost	Voting Systems Grant	Circuit Court Automation	Reappraisal	Courthouse Security Grant	Arkansas Fish and Wildlife	Drug Court	Justice Equitable Sharing Program
REVENUES									
State aid			\$ 10,700		\$ 369,642		\$ 11,270		
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 15,877				\$ 5,421	\$ 248,972
Interest	\$ 1,808	\$ 279		255	315	\$ 1		145	
Officers' fees		17,670							
Recycling fees									
School district contributions	506,768								
911 fees									
Treasurer's commission									
Collector's commission									
Other	22	218		196	3			68	
TOTAL REVENUES	508,598	18,167	10,700	16,328	369,960	1	11,270	5,634	248,972
Less: Treasurer's commission	36	366		329	6			114	
NET REVENUES	508,562	17,801	10,700	15,999	369,954	1	11,270	5,520	248,972
EXPENDITURES									
Current:									
General government		17,446	10,700		391,872				
Law enforcement	516,355			10,269				1,142	
Public safety									
Sanitation									
Recreation and culture							8,100		
Total Current	516,355	17,446	10,700	10,269	391,872		8,100	1,142	
Debt Service:									
Lease principal									
Lease interest									
Note principal									
Note interest									
TOTAL EXPENDITURES	516,355	17,446	10,700	10,269	391,872		8,100	1,142	

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Juvenile Justice Education	County Clerk's Cost	Voting Systems Grant	Circuit Court Automation	Reappraisal	Courthouse Security Grant	Arkansas Fish and Wildlife	Drug Court	Justice Equitable Sharing Program
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (7,793)	\$ 355		\$ 5,730	\$ (21,918)	\$ 1	\$ 3,170	\$ 4,378	\$ 248,972
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									(275,000)
Sales tax remitted to Economic Development Corporation									(275,000)
TOTAL OTHER FINANCING SOURCES (USES)									(275,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,793)	355		5,730	(21,918)	1	3,170	4,378	(26,028)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	160,234	24,967		20,019	48,157	57	8,100	10,229	37,996
Restatement adjustment									
FUND BALANCES - JANUARY 1, AS RESTATED	160,234	24,967		20,019	48,157	57	8,100	10,229	37,996
FUND BALANCES - DECEMBER 31	\$ 152,441	\$ 25,322	\$ 0	\$ 25,749	\$ 26,239	\$ 58	\$ 11,270	\$ 14,607	\$ 11,968

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS		Totals
	E-waste Grant	Circuit Clerk Commissioner's Fee	Victims of Crime	State Homeland Security Grant Program (SHSGP)	Law Enforcement Terrorism Prevention Program (LETPP)	Local Law Enforcement Block Grant	Jefferson County Construction	
REVENUES								
State aid	\$ 93,297							\$ 1,040,845
Federal aid			\$ 99,497	\$ 42,279	\$ 23,582		\$ 3,675	165,358
Property taxes								542,952
Sales taxes								5,784,932
Fines, forfeitures, and costs								646,711
Interest						\$ 6,538		35,660
Officers' fees		\$ 663						207,322
Recycling fees								32,957
School district contributions								506,768
911 fees								1,276,725
Treasurer's commission								52,882
Collector's commission								84,053
Other		2	4,000				4,028	79,413
TOTAL REVENUES	93,297	665	103,497	42,279	23,582	10,566	3,675	10,456,578
Less: Treasurer's commission		4				131		40,082
NET REVENUES	93,297	661	103,497	42,279	23,582	10,435	3,675	10,416,496
EXPENDITURES								
Current:								
General government								641,013
Law enforcement			94,076		23,582	1,798,441		2,665,180
Public safety				42,279			3,828	1,531,705
Sanitation	93,473							516,742
Recreation and culture								558,100
Total Current	93,473		94,076	42,279	23,582	1,798,441	3,828	5,912,740
Debt Service:								
Lease principal								20,100
Lease interest								87
Note principal								39,173
Note interest								1,435
TOTAL EXPENDITURES	93,473		94,076	42,279	23,582	1,798,441	3,828	5,973,535

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			
	E-waste Grant	Circuit Clerk Commissioner's Fee	Victims of Crime	State Homeland Security Grant Program (SHSGP)	Law Enforcement Terrorism Prevention Program (LETPP)	Local Law Enforcement Block Grant	Jefferson County Construction	Watson Chapel Water District Generator	Totals
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (176)	\$ 661	\$ 9,421				\$ (1,788,006)	\$ (153)	\$ 4,442,961
OTHER FINANCING SOURCES (USES)									
Transfers in						380,885			380,885
Transfers out									(2,936,246)
Sales tax remitted to Economic Development Corporation									(3,467,404)
TOTAL OTHER FINANCING SOURCES (USES)						380,885			(6,022,765)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(176)	661	9,421			(1,407,121)	(153)		(1,579,804)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED			1,222		\$ 39,686	1,471,686	153		4,775,916
Restatement adjustment					(39,686)				259,229
FUND BALANCES - JANUARY 1, AS RESTATED			1,222		0	1,471,686	153		5,035,145
FUND BALANCES - DECEMBER 31	\$ (176)	\$ 661	\$ 10,643	\$ 0	\$ 0	\$ 0	\$ 64,565	\$ 0	\$ 3,455,341

JEFFERSON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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 1% of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to County Assessors for the costs of administering Arkansas Constitution, Amendment no. 79.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Juvenile Justice	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
Recycling	Jefferson County Ordinance no. 1995-34 (May 8, 1995) established fund for the recording of receipts and disbursements for recycling operations. The fund also receives state aid restricted for recycling.
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 of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of the juvenile division of Chancery Court; and for defraying the medical and dental costs for indigent defendants in the county jail.
Judicial Enhancement	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for court personnel and equipment.
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.
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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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

<u>Fund Name</u>	<u>Fund Description</u>
Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by Circuit Clerks to be used to purchase, maintain, and operate automated records system.
Jail Operation (Detention M & O, Detention Reserve, and Jail Operations)	Jefferson County Ordinance nos. 2003-41, 42 (June 30, 2003) levied a sales and use tax for operating and maintaining jail facilities. Additionally, Ark. Code Ann. § 16-17-129 levied an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Emergency 911	Fund was established to receive fees collected by telephone providers as prescribed by Ark. Code Ann. § 12-10-318, and to receive fees from cities within the County, as prescribed by Jefferson County Ordinance no. 1994-95 (December 19, 1994), for 911 emergency services.
Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the Quorum Court for the support, operation, and maintenance of the public library.
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 equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Economic Development	Jefferson County Ordinance nos. 2010-87, 88 (November 8, 2010) levied a 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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

<u>Fund Name</u>	<u>Fund Description</u>
Juvenile Justice Education	Jefferson County Ordinance no. 1998-13 (January 12, 1998) established fund to receive funds awarded by the Arkansas Department of Education, through the Pine Bluff School District, to provide an educational program for juveniles incarcerated.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by County Clerks to be used to purchase, maintain, and operate an automated records system.
Voting Systems Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive Circuit Court installment fees to be used for Circuit Court-related technology and to defray the cost of fine collection.
Reappraisal	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Courthouse Security Grant	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.
Arkansas Fish and Wildlife	Ark. Code Ann. § 6-16-1101 and Jefferson County Ordinance no. 2007-81 (November 13, 2007) established fund to receive grants to be distributed to school districts or conservation districts for the sole purpose of approved conservation education programs.
Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Justice Equitable Sharing Program	Federal forfeiture funds received from the Department of Justice Asset Forfeiture Program were set up in a separate fund for the purpose of providing additional law enforcement resources.
E-waste Grant	Jefferson County Ordinance no. 2013-41 (August 12, 2013) established fund to receive grant proceeds from the Arkansas Department of Environmental Quality for the purpose of establishing and operating an E-waste recycling hub.

JEFFERSON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

<u>Fund Name</u>	<u>Fund Description</u>
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
Victims of Crime	Fund was established to receive federal grants for the purpose of salaries for coordinators of victims of violent crime services.
State Homeland Security Grant Program (SHSGP)	Jefferson County Ordinance no. 2013-3 (January 14, 2013) established fund to receive federal funds for the purchase of supplies and equipment used to build capabilities to prevent, deter, respond to, and recover from incidents of terrorism at State and local levels.
Law Enforcement Terrorism Prevention Program (LETPP)	Jefferson County Ordinance no. 2013-2 (January 4, 2013) established fund to receive federal funds for the purchase of supplies and equipment used to enhance capabilities for detecting, deterring, disrupting, and preventing acts of terrorism.
Local Law Enforcement Block Grant	Fund established to account for a grant received from the State of Arkansas for local law enforcement programs.
Jefferson County Construction	Jefferson County Ordinance no. 2012-11 (February 3, 2012) established fund for the construction of the Jefferson County Sheriff's Office building.
Watson Chapel Water District Generator	Jefferson County Ordinance no. 2012-29 (May 14, 2012) established fund to receive grant funds from the Arkansas Economic Development Commission to purchase and install an emergency generator.

Treasurer's accounts consist primarily of property taxes not yet distributed to the appropriate entities.
 Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.
 Sheriff's accounts consist primarily of fees settlement, bond, and inmate trust money.
 County Clerk's accounts consist primarily of fee money to be settled with Treasurer, trust money, and payroll taxes.
 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 account consist primarily of fees not yet distributed to the County.

JEFFERSON COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2013
(Unaudited)

Schedule 3

	<u>December 31, 2013</u>
Land	\$ 7,921,633
Buildings	28,187,598
Equipment	<u>13,891,123</u>
Total	<u>\$ 50,000,354</u>

JEFFERSON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2013
(Unaudited)

Schedule 4

<u>General</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assets	\$ 3,841,763	\$ 3,149,939	\$ 4,259,314	\$ 4,477,848	\$ 6,430,563
Total Liabilities	476,174	115,673	275,525	42,420	187,716
Total Fund Balances	3,365,589	3,034,266	3,983,789	4,435,428	6,242,847
Net Revenues	15,571,403	14,504,552	14,167,313	11,348,527	11,829,313
Total Expenditures	17,800,947	18,590,392	18,179,800	12,222,199	11,900,986
Total Other Financing Sources/Uses	2,555,361	3,131,770	3,067,776	(970,753)	1,230,571
<u>Road</u>					
Total Assets	\$ 838,279	\$ 703,637	\$ 836,931	\$ 1,162,887	\$ 944,699
Total Liabilities	201,845	119,176	46,275	127,524	46,987
Total Fund Balances	636,434	584,461	790,656	1,035,363	897,712
Net Revenues	3,716,291	3,362,074	3,347,001	3,999,322	3,705,658
Total Expenditures	3,531,771	3,712,427	3,572,145	4,019,486	3,824,937
Total Other Financing Sources/Uses		144,158	(19,563)	194,822	27,318
<u>Other Funds in the Aggregate</u>					
Total Assets	\$ 4,755,127	\$ 6,104,680	\$ 6,788,907	\$ 7,756,178	\$ 8,445,326
Total Liabilities	1,299,786	1,328,764	1,564,566	1,697,269	2,066,290
Total Fund Balances	3,455,341	4,775,916	5,224,341	6,058,909	6,379,036
Net Revenues	10,416,496	9,373,951	7,086,836	8,832,998	10,415,681
Total Expenditures	5,973,535	3,435,577	3,226,567	9,929,056	12,237,351
Total Other Financing Sources/Uses	(6,022,765)	(6,696,050)	(4,201,763)	775,931	1,142,111