

Jefferson County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2018

LEGISLATIVE JOINT AUDITING COMMITTEE



JEFFERSON COUNTY, ARKANSAS
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Arkansas



Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS 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, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Jefferson County, Arkansas, as of December 31, 2018, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of December 31, 2018, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
October 2, 2019
LOCO03518

Arkansas

Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2019. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the County in a separate letter dated October 2, 2019.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 2, 2019

Arkansas



Sen. Jason Rapert
Senate Chair
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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2018:

County Judge: Henry "Hank" Wilkins IV (resigned March 22, 2018)
Booker T. Clemons (appointed March 22, 2018)
Treasurer: Vonysha Goodwin
Sheriff: Gerald Robinson
Tax Collector: Stephanie Stanton
County Clerk: Shawndra Taggart
Circuit Clerk: Lafayette Woods, Sr.
Assessor: Yvonne Humphrey

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge

The County made payments totaling \$18,722 to the following organizations, in violation of the "public purpose" doctrine and Ark. Const. art. 12, § 5, which states, in part, "No...county ...shall obtain or appropriate money for...any corporation, association, institution, or individual":

- \$10,000 to Hestand Stadium Fairgrounds
- \$7,122 to Eminent Financial
- \$1,600 to Grassroots Consulting

A similar finding was issued in the prior report.

The County paid a full-time County Judge's employee \$3,442 for additional duties as Election Commission Coordinator without adequately documenting the hours worked for the additional duties. A similar finding was issued in the prior report.

The County Judge issued Jefferson County Court Order 2019-7, dated January 18, 2019, to refund property taxes paid in 2018 to himself, in apparent conflict with Ark. Code Ann. § 16-15-111, which states, in part..., "No judge of the county court shall sit on the determination of any case in which he or she is interested in the outcome...."

Funds of \$19,276 that were restricted for County Road purposes were expended for an HVAC system for the courthouse, in noncompliance with Ark. Code Ann. § 27-70-207. A similar finding was issued in the prior report.

The County Court did not approve the extension of the Solid Waste contract, which expired December 31, 2016, in noncompliance with Ark. Code Ann. § 14-22-112. The County made payments in the amount of \$1,246,034 for Solid Waste services in 2018. A similar finding was issued in the prior report.

Fixed asset records were not maintained, as required by Ark. Code Ann. § 14-25-106. A similar finding was issued in the prior report.

County Judge and Sheriff

The former Sheriff, who is now the County Judge, and a Sheriff's Office employee were paid \$14,451 and \$3,679, respectively, for unused sick leave upon their departure from employment, in apparent conflict with County and Sheriff's Office personnel policies. Of these payments, only the \$14,451 paid to the former Sheriff was approved by Quorum Court ordinance.

Competitive bids were not taken or waived for the following purchases which exceed \$20,000, in noncompliance with Ark. Code Ann. § 14-22-104: \$126,231 for furniture, \$77,208 for roofing, and \$48,965 for steel doors. A similar finding was issued in the prior two reports.

County Judge and County Clerk

During the process of correcting a payroll deduction error, the County incorrectly refunded \$692 to an employee.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, 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.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 2, 2019

JEFFERSON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 2,826,210	\$ 943,785	\$ 8,272,413
Investments	1,118,498	375,036	1,413,506
Accounts receivable	591,667	9,387	1,013,285
Interfund receivables		<u>19,276</u>	
TOTAL ASSETS	<u><u>\$ 4,536,375</u></u>	<u><u>\$ 1,347,484</u></u>	<u><u>\$ 10,699,204</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 857,356	\$ 145,044	\$ 790,612
Interfund payables	19,276		
Settlements pending			<u>1,173,663</u>
Total Liabilities	<u><u>876,632</u></u>	<u><u>145,044</u></u>	<u><u>1,964,275</u></u>
Fund Balances:			
Restricted		1,202,440	8,581,546
Committed			126,495
Assigned	1,051,225		26,888
Unassigned	<u>2,608,518</u>		
Total Fund Balances	<u><u>3,659,743</u></u>	<u><u>1,202,440</u></u>	<u><u>8,734,929</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 4,536,375</u></u>	<u><u>\$ 1,347,484</u></u>	<u><u>\$ 10,699,204</u></u>

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

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,309,779	\$ 2,723,666	\$ 101,038
Federal aid	171,976	18,205	126,706
Property taxes	4,589,641	1,720,867	721,432
Sales taxes	2,534,805		4,633,410
Fines, forfeitures, and costs	833,650		518,057
Interest	12,809	6,841	43,434
Officers' fees	152,970		480,354
Net increase (decrease) in the fair value of investments	(1,423)	1,361	1,281
Recycling fees			205,657
School district contributions			539,068
911 fees			1,444,117
Jail fees	1,738,960		226,132
Sanitation fees	1,687,215		
Franchise fees	21,742		
Donations			59,200
Treasurer's commission	201,998		58,030
Collector's commission	1,043,307		115,923
Taxes apportioned - Assessor's salary and expense	646,063		
Other	647,785	348,440	21,579
TOTAL REVENUES	15,591,277	4,819,380	9,295,418
Less: Treasurer's commission	124,397	42,652	42,047
NET REVENUES	15,466,880	4,776,728	9,253,371
EXPENDITURES			
Current:			
General government	4,693,858		1,338,888
Law enforcement	7,865,351		4,807,000
Highways and streets		4,388,151	
Public safety	650,381		1,304,626
Sanitation	1,484,261		264,054
Health	79,587		
Recreation and culture	24,932		441,801
Social services	96,795		
Total Current	14,895,165	4,388,151	8,156,369
Debt Service:			
Bond principal			80,000
Bond interest and other charges			30,620
Lease principal		77,268	
Lease interest		22,444	
Note principal	185,869	323,889	
Note interest	21,767	10,758	
TOTAL EXPENDITURES	15,102,801	4,822,510	8,266,989

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 364,079</u>	<u>\$ (45,782)</u>	<u>\$ 986,382</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	52,600		
Transfers out			(52,600)
Sales tax remitted to Economic Development Corporation			(2,167,300)
Bond proceeds			2,308,008
Loan proceeds			850,000
Insurance proceeds	<u>331,368</u>		<u>1,079,949</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>383,968</u>		<u>2,018,057</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	748,047	(45,782)	3,004,439
FUND BALANCES - JANUARY 1	<u>2,911,696</u>	<u>1,248,222</u>	<u>5,730,490</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,659,743</u></u>	<u><u>\$ 1,202,440</u></u>	<u><u>\$ 8,734,929</u></u>

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

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,081,858	\$ 1,309,779	\$ 227,921	\$ 2,568,000	\$ 2,723,666	\$ 155,666
Federal aid	85,000	171,976	86,976		18,205	18,205
Property taxes	4,107,625	4,589,641	482,016	1,549,100	1,720,867	171,767
Sales taxes	2,300,000	2,534,805	234,805			
Fines, forfeitures, and costs	892,890	833,650	(59,240)			
Interest	10,900	12,809	1,909	7,500	6,841	(659)
Officers' fees	155,450	152,970	(2,480)			
Net increase (decrease) in the fair value of investments		(1,423)	(1,423)		1,361	1,361
Jail fees	1,892,000	1,738,960	(153,040)			
Sanitation fees	1,380,400	1,687,215	306,815			
Franchise fees	20,000	21,742	1,742			
Treasurer's commission	158,000	201,998	43,998			
Collector's commission	960,000	1,043,307	83,307			
Taxes apportioned - Assessor's salary and expense	650,000	646,063	(3,937)			
Other	607,476	647,785	40,309	256,000	348,440	92,440
TOTAL REVENUES	14,301,599	15,591,277	1,289,678	4,380,600	4,819,380	438,780
Less: Treasurer's commission		124,397	(124,397)		42,652	(42,652)
NET REVENUES	14,301,599	15,466,880	1,165,281	4,380,600	4,776,728	396,128
EXPENDITURES						
Current:						
General government	5,052,234	4,693,858	358,376			
Law enforcement	11,797,630	7,865,351	3,932,279			
Highways and streets				5,175,526	4,388,151	787,375
Public safety	412,600	650,381	(237,781)			
Sanitation	1,430,952	1,484,261	(53,309)			
Health	91,990	79,587	12,403			
Recreation and culture	24,932	24,932				
Social services	95,072	96,795	(1,723)			
Total Current	18,905,410	14,895,165	4,010,245	5,175,526	4,388,151	787,375
Debt Service:						
Lease principal					77,268	(77,268)
Lease interest					22,444	(22,444)
Note principal		185,869	(185,869)		323,889	(323,889)
Note interest		21,767	(21,767)		10,758	(10,758)
TOTAL EXPENDITURES	18,905,410	15,102,801	3,802,609	5,175,526	4,822,510	353,016

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, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,603,811)	\$ 364,079	\$ 4,967,890	\$ (794,926)	\$ (45,782)	\$ 749,144
OTHER FINANCING SOURCES (USES)						
Transfers in	2,773,000	52,600	(2,720,400)			
Insurance proceeds		331,368	331,368			
TOTAL OTHER FINANCING SOURCES (USES)	2,773,000	383,968	(2,389,032)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,830,811)	748,047	2,578,858	(794,926)	(45,782)	749,144
FUND BALANCES - JANUARY 1	1,392,090	2,911,696	1,519,606	900,000	1,248,222	348,222
FUND BALANCES - DECEMBER 31	<u>\$ (438,721)</u>	<u>\$ 3,659,743</u>	<u>\$ 4,098,464</u>	<u>\$ 105,074</u>	<u>\$ 1,202,440</u>	<u>\$ 1,097,366</u>

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory Fund Accounting

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and federal funds that are restricted or committed for maintaining and constructing roads.

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

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

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

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

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. 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.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officer's 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 except for the County Library Construction and Energy Efficiency Project Bond 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.

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,868,791	\$ 2,107,618
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	8,948,519	11,929,642
U.S. government guaranteed accounts	1,217,904	1,210,835
Uncollateralized		58,701
Total Deposits	\$ 12,035,214	\$ 15,306,796

The above total deposits do not include cash on hand of \$7,194.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2018, \$58,701 of the County's bank balances of \$15,306,796 was exposed to custodial credit risk

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018 Fair Value
General	\$ 1,118,498
Road	375,036
Other Funds in Aggregate	1,413,506
Totals	\$ 2,907,040

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)

The County's investments are composed of the following:

<u>December 31, 2018</u> Investment Type	Quoted Prices in Active Markets for Identical Investments Level I
Treasury notes and mortgage backed securities	\$ 2,907,040

The fair value of treasury notes and mortgage backed securities are measured on a recurring basis and are based on quoted marked prices obtained from independent pricing sources and are classified as Level I inputs.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 5,605		
Federal aid	6,338		\$ 9,404
Sales taxes	202,581		197,091
Fines, forfeitures, and costs	37,154		21,809
Officers' fees	10,617		33,184
Recycling fees			26,542
911 fees			27,181
Jail fees	123,787		18,125
Sanitation fees	23,856		
Franchise fees	3,141		
Insurance proceeds	166,248		679,949
Other	12,340	\$ 9,387	
Totals	<u>\$ 591,667</u>	<u>\$ 9,387</u>	<u>\$ 1,013,285</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 857,356</u>	<u>\$ 145,044</u>	<u>\$ 790,612</u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2018	
	Interfund Receivables	Interfund Payables
General Fund		\$ 19,276
Road Fund	\$ 19,276	
	<u>\$ 19,276</u>	<u>\$ 19,276</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid when the funds become available.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 602,510
Law enforcement			2,618,469
Highways and streets		\$ 1,202,440	
Public safety			696,341
Sanitation			3,724
Recreation and culture			1,138,967
Capital outlay			3,392,903
Debt service			128,632
Total Restricted		<u>1,202,440</u>	<u>8,581,546</u>
Committed for:			
Public safety			59,759
Sanitation			66,736
Total Committed			<u>126,495</u>
Assigned to:			
General government	\$ 89,857		
Law enforcement	760,887		
Sanitation	<u>200,481</u>		<u>26,888</u>
Total Assigned	<u>1,051,225</u>		<u>26,888</u>
Unassigned	<u>2,608,518</u>		
Totals	<u>\$ 3,659,743</u>	<u>\$ 1,202,440</u>	<u>\$ 8,734,929</u>

NOTE 9: 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, 2018, the legal debt limit for bonded debt was \$76,684,570. There were no property tax secured bond issues subject to the constitutional limitation. As discussed in Note 11, the County approved an additional 2.5 mills property tax to secure payment for certain library bonds; however these are not subject to any constitutional or statutory limitation.

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, 2018, the legal debt limit for short-term financing obligations was \$23,342,075. The amount of short-term financing obligations was \$1,610,170, leaving a legal debt margin of \$21,731,905.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Long-term liabilities	\$ 5,668,313
Noncancellable leases	111,128
Construction contract	304,846
 Total Commitments	 \$ 6,084,287

Long-term Liabilities

Long-term liabilities at December 31, 2018, are comprised of the following:

	December 31, 2018
Library Property Tax Construction Bonds, Series 2017, annual installments beginning February 1, 2018, with the final settlement due February 1, 2033, interest at 3%. Payments are to be made from Debt Service Fund.	\$ 1,040,000
Local Government Energy Efficiency Project Bond for the purpose of executing an energy saving master equipment acquisition; annual installments of \$120,000 to \$233,773 due on April 1 beginning 2019 through April 2038; interest rate of 3.98%. Payments are to be made from the General Fund secured by operating cost savings derived from the energy efficiency project.	2,308,008
Lease-purchase agreement with FBT Bank and Mortgage for 2017 Kobelco Excavator; 60 monthly payments of \$1,169 through June 2023; Interest 4.95%. Payments are to be made from the Road Fund.	56,469
Lease-purchase agreement with FBT Bank and Mortgage for 2017 Etnyre Lowboy Trailer; 60 monthly payments of \$1,290 through July 2023; Interest 5.01%. Payments are to be made from the Road Fund.	63,336
Lease-purchase agreement with BancorpSouth Equipment Finance for (5) 2018 Mack Dump Trucks; 36 monthly payments of \$8,391 through April 2023 and final payment of \$520,000; Interest 3.14%. Payments are to be made from the Road Fund.	701,772
Lease-purchase agreement with FBT Bank and Mortgage for 2017 Hamm Asphalt Roller; 60 monthly payments of \$2,147 through July 2023; Interest 5.01%. Payments are to be made from the Road Fund.	105,435
Promissory note with Relyance Bank to complete construction of the Sheriff's Office; 4 annual payments of \$188,259 commencing on December 15, 2018, and one final installment of the entire unpaid balance of principal and accrued interest on December 14, 2022. Payments to be made from Justice Equitable Sharing Fund.	683,158
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	710,135
 Total Long-term liabilities	 \$ 5,668,313

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, 2018

NOTE 10: 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, 2018:

Years Ending December 31,	Bonds	Notes	Leases	Total
2019	\$ 200,375	\$ 188,259	\$ 147,561	\$ 536,195
2020	203,650	188,259	155,952	547,861
2021	214,850	188,259	608,825	1,011,934
2022	220,050	178,697	55,261	454,008
2023	223,175		31,067	254,242
2024 through 2028	1,174,350			1,174,350
2029 through 2033	1,334,100			1,334,100
2034 through 2038	1,183,773			1,183,773
Total Obligations	4,754,323	743,474	998,666	6,496,463
Less Interest	1,406,315	60,316	71,654	1,538,285
Total Principal	<u>\$ 3,348,008</u>	<u>\$ 683,158</u>	<u>\$ 927,012</u>	<u>\$ 4,958,178</u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for two road graders on February 20, 2017. Terms of the lease are semi-annual rental payments of \$17,393 for 3 years. At the end of the lease term, the County will return the two road graders.

The County entered into a noncancellable lease agreement for one road grader on February 16, 2018. Terms of the lease are semi-annual rental payments of \$9,518 for 3 years. At the end of the lease term, the County will return the road grader.

The County entered into a noncancellable lease agreement for one road grader on May 29, 2018. Terms of the lease are semi-annual rental payments of \$9,567 for 3 years. At the end of the lease term, the County will return the road grader.

The County is obligated for the following amounts for the next two years:

Year	December 31, 2018
2019	\$ 72,957
2020	38,171
Total	<u>\$ 111,128</u>

Rental expense for 2018 was \$72,957.

JEFFERSON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 10: Commitments (Continued)

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2018:

Project Name	Completed Date	Contract Balance December 31, 2018
County Building Roof Repair	5/28/2019	\$ 304,846

NOTE 11: Pledged Revenues

The County pledged future .25 mil property tax levies and pro rata portion of amendment 79 tax collections to repay \$1,120,000 in Library Construction bonds that were issued in 2017 to provide funding for acquiring, constructing and equipping public county branches outside the City of Pine Bluff. Total principal and interest remaining on the bonds are \$1,040,000 and \$248,550, respectively, payable through February 1, 2033. For 2018, principal and interest paid were \$80,000 and \$21,120, respectively.

The Debt Service Fund received \$107,684 in property taxes in 2018. The proceeds of the tax levy cannot to be used for any purpose other than payment of debt service on the bonds.

NOTE 12: Joint Venture: 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 of and salaries of employees of the system. The County paid the Pine Bluff and Jefferson County Library \$440,000 in 2018. 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 Sheriffs' Departments of Arkansas, Jefferson, and Lincoln Counties, 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, 2018 to June 30, 2019, 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 Tri-County Drug Task Force by the County. The 2018 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 areas:

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

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 \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2018, (date of APERS Employer Allocation Report) were \$1,597,154.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2018, (actuarial valuation date and measurement date) was \$12,752,233.

NOTE 16: Tax Collector's Commission

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

NOTE 17: Landfill Lease Agreement

The County entered into a lease agreement for the operation of a county landfill with Waste Management of Arkansas, Inc., on July 13, 1990. The County covenants to lessee and the City of Pine Bluff, Arkansas, that the County will provide at the premises a minimum of twenty years of disposal capacity for the Arkansas Solid Waste Planning District which includes the premises. Lessee shall lease the premises from the commencement of the lease and so long thereafter as lessee continues active 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 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.

NOTE 19: Insurance Proceeds

On March 10, 2018, the County received major hail damage to various buildings and vehicles throughout the County. The County received insurance proceeds during 2018 in the amount of \$1,347,986 as part of the settlement for damages of the hail storm, additional proceeds related to the storm damages were received in 2019. The County received insurance proceeds in the amount of \$63,331 from various other claims during the year.

NOTE 20: Interfund Transfers

The Other Funds in the Aggregate (Communication Facility and Equipment) transferred excess funds as determined by the Sheriff of \$52,600 to the County General Fund.

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	Recorder's Cost	County Library	Child Support Cost	Jail Operation (Detention M & O, Detention Reserve and Jail Operations)
ASSETS									
Cash and cash equivalents	\$ 40,202	\$ 181,320	\$ 2,280	\$ 33,708	\$ 7,203	\$ 78,101	\$ 815,076	\$ 3,420	\$ 869,626
Investments	15,975	72,052	906	13,395	2,862	31,035	323,891	1,359	345,567
Accounts receivable			609		672	21,928		12	207,618
TOTAL ASSETS	\$ 56,177	\$ 253,372	\$ 3,795	\$ 47,103	\$ 10,737	\$ 131,064	\$ 1,138,967	\$ 4,791	\$ 1,422,811
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 272	\$ 1,292	\$ 2,444			\$ 4,598			
Settlements pending									
Total Liabilities	272	1,292	2,444			4,598			
Fund Balances:									
Restricted	55,905	252,080	1,351	\$ 47,103	\$ 10,737	126,466	\$ 1,138,967	\$ 4,791	\$ 1,422,811
Committed									
Assigned									
Total Fund Balances	55,905	252,080	1,351	47,103	10,737	126,466	1,138,967	4,791	1,422,811
TOTAL LIABILITIES AND FUND BALANCES	\$ 56,177	\$ 253,372	\$ 3,795	\$ 47,103	\$ 10,737	\$ 131,064	\$ 1,138,967	\$ 4,791	\$ 1,422,811

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS

	Boating Safety	Emergency 911	Emergency Vehicle	Prosecuting Attorney Victim Witness	Indigent Criminal Defense	District Court Cost	Adult Drug Court	Juvenile Justice	Recycling
ASSETS									
Cash and cash equivalents	\$ 1,718	\$ 489,962	\$ 29,381	\$ 122,914	\$ 142,465	\$ 59,972	\$ 26,035	\$ 6,348	\$ 54,784
Investments	683	194,699	11,675	48,843	56,612	23,831	10,346	2,523	21,770
Accounts receivable		27,181	490	1,939	4,370	1,190	385	4,828	26,542
TOTAL ASSETS	\$ 2,401	\$ 711,842	\$ 41,546	\$ 173,696	\$ 203,447	\$ 84,993	\$ 36,766	\$ 13,699	\$ 103,096
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 17,902		\$ 350	\$ 4,322		\$ 28		\$ 9,472
Settlements pending									
Total Liabilities		17,902		350	4,322		28		9,472
Fund Balances:									
Restricted	\$ 2,401	693,940	\$ 41,546	173,346	199,125	\$ 84,993	36,738	\$ 13,699	
Committed									66,736
Assigned									26,888
Total Fund Balances	2,401	693,940	41,546	173,346	199,125	84,993	36,738	13,699	93,624
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,401	\$ 711,842	\$ 41,546	\$ 173,696	\$ 203,447	\$ 84,993	\$ 36,766	\$ 13,699	\$ 103,096

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS								
	Circuit Clerk Commissioner's Fee	Juvenile Justice Education	Reserve Fund for Rural Fire Protection	Judicial Enhancement	Waste Tire Facility Closure	Victims of Crime	Justice Equitable Sharing Program	Drug Court Accountability Grant
ASSETS								
Cash and cash equivalents	\$ 9,476	\$ 351,894	\$ 42,765	\$ 1	\$ 2,665	\$ 27,833	\$ 32,553	\$ 2,236
Investments	3,766	139,833	16,994	1	1,059	11,060	12,936	888
Accounts receivable	6,388					9,404		
TOTAL ASSETS	<u>\$ 19,630</u>	<u>\$ 491,727</u>	<u>\$ 59,759</u>	<u>\$ 2</u>	<u>\$ 3,724</u>	<u>\$ 48,297</u>	<u>\$ 45,489</u>	<u>\$ 3,124</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 13,091				\$ 1,252	\$ 40,070	
Settlements pending								
Total Liabilities		<u>13,091</u>				<u>1,252</u>	<u>40,070</u>	
Fund Balances:								
Restricted	\$ 19,630	478,636		\$ 2	\$ 3,724	47,045	5,419	\$ 3,124
Committed			\$ 59,759					
Assigned								
Total Fund Balances	<u>19,630</u>	<u>478,636</u>	<u>59,759</u>	<u>2</u>	<u>3,724</u>	<u>47,045</u>	<u>5,419</u>	<u>3,124</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,630</u>	<u>\$ 491,727</u>	<u>\$ 59,759</u>	<u>\$ 2</u>	<u>\$ 3,724</u>	<u>\$ 48,297</u>	<u>\$ 45,489</u>	<u>\$ 3,124</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND
	Insurance Reimbursement	Assessor's Late Assessment Fee	Communication Facility & Equipment	Jefferson County Construction	County Library Construction	Energy Efficiency Project Bond	Library Tax and Special Tax Bonds, Series 2017
ASSETS							
Cash and cash equivalents	\$ 59,187	\$ 2,213	\$ 94,393	\$ 8,945	\$ 1,089,272	\$ 2,303,163	\$ 128,632
Investments	23,519	879		3,554			
Accounts receivable	679,949		19,780				
TOTAL ASSETS	\$ 762,655	\$ 3,092	\$ 114,173	\$ 12,499	\$ 1,089,272	\$ 2,303,163	\$ 128,632
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 679,949		\$ 3,539	\$ 12,031			
Settlements pending							
Total Liabilities	679,949		3,539	12,031			
Fund Balances:							
Restricted	82,706	\$ 3,092	110,634	468	\$ 1,089,272	\$ 2,303,163	\$ 128,632
Committed							
Assigned							
Total Fund Balances	82,706	3,092	110,634	468	1,089,272	2,303,163	128,632
TOTAL LIABILITIES AND FUND BALANCES	\$ 762,655	\$ 3,092	\$ 114,173	\$ 12,499	\$ 1,089,272	\$ 2,303,163	\$ 128,632

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

AGENCY FUNDS								
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Court Accounts	Sanitation	Totals
ASSETS								
Cash and cash equivalents	\$ 52,830	\$ 378,034	\$ 298,454	\$ 35,724	\$ 269,973	\$ 4,510	\$ 113,145	\$ 8,272,413
Investments	20,993							1,413,506
Accounts receivable								1,013,285
TOTAL ASSETS	\$ 73,823	\$ 378,034	\$ 298,454	\$ 35,724	\$ 269,973	\$ 4,510	\$ 113,145	\$ 10,699,204
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 790,612
Settlements pending	\$ 73,823	\$ 378,034	\$ 298,454	\$ 35,724	\$ 269,973	\$ 4,510	\$ 113,145	1,173,663
Total Liabilities	73,823	378,034	298,454	35,724	269,973	4,510	113,145	1,964,275
Fund Balances:								
Restricted								8,581,546
Committed								126,495
Assigned								26,888
Total Fund Balances								8,734,929
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,823	\$ 378,034	\$ 298,454	\$ 35,724	\$ 269,973	\$ 4,510	\$ 113,145	\$ 10,699,204

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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	Recorder's Cost	County Library	Child Support Cost	Jail Operation (Detention M & O, Detention Reserve and Jail Operations)
REVENUES									
State aid				\$ 17,967			\$ 63,645		
Federal aid									
Property taxes							610,298		
Sales taxes									\$ 2,466,110
Fines, forfeitures, and costs			\$ 10,440						128,441
Interest	\$ 212	\$ 954	49	286	\$ 90	\$ 847	5,651		4,291
Officers' fees					14,251	376,016		\$ 816	
Net increase (decrease) in the fair value of investments	60	(11)	31	9	43	(247)	(101)		1,470
Recycling fees									
School district contributions									
911 fees									
Jail fees									
Donations									
Treasurer's commission	58,030								
Collector's commission		115,923							
Other	4,622					451			
TOTAL REVENUES	62,924	116,866	10,520	18,262	14,384	377,067	679,493	816	2,600,312
Less: Treasurer's commission	2	9	97	164	131	3,372	6,092	7	23,224
NET REVENUES	62,922	116,857	10,423	18,098	14,253	373,695	673,401	809	2,577,088
EXPENDITURES									
Current:									
General government	63,549	68,397		10,990	20,829	308,047			
Law enforcement			17,487						2,629,658
Public safety									
Sanitation									
Recreation and culture							440,000		
Total Current	63,549	68,397	17,487	10,990	20,829	308,047	440,000		2,629,658
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	63,549	68,397	17,487	10,990	20,829	308,047	440,000		2,629,658
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(627)	48,460	(7,064)	7,108	(6,576)	65,648	233,401	809	(52,570)
OTHER FINANCING SOURCES (USES)									
Transfers out									
Sales tax remitted to Economic Development Corporation									
Bond proceeds									
Loan proceeds									
Insurance proceeds									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(627)	48,460	(7,064)	7,108	(6,576)	65,648	233,401	809	(52,570)
FUND BALANCES - JANUARY 1	56,532	203,620	8,415	39,995	17,313	60,818	905,566	3,982	1,475,381
FUND BALANCES - DECEMBER 31	<u>\$ 55,905</u>	<u>\$ 252,080</u>	<u>\$ 1,351</u>	<u>\$ 47,103</u>	<u>\$ 10,737</u>	<u>\$ 126,466</u>	<u>\$ 1,138,967</u>	<u>\$ 4,791</u>	<u>\$ 1,422,811</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, 2018

Schedule 2

SPECIAL REVENUE FUNDS									
	Boating Safety	Emergency 911	Emergency Vehicle	Prosecuting Attorney Victim Witness	Indigent Criminal Defense	District Court Cost	Adult Drug Court	Juvenile Justice	Recycling
REVENUES									
State aid	\$ 5,235				\$ 2,826				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 18,088	\$ 92,954	53,912	\$ 83,988	\$ 1,329	\$ 25,649	
Interest	12	\$ 3,506	187	1,009	1,177	284	211	76	\$ 603
Officers' fees								46,136	
Net increase (decrease) in the fair value of investments	(8)	(367)	(61)	(5)	141	39	45	54	165
Recycling fees									205,657
School district contributions									
911 fees		1,444,117							
Jail fees									
Donations									
Treasurer's commission									
Collector's commission									
Other		13,609		211	358				105
TOTAL REVENUES	5,239	1,460,865	18,214	94,169	58,414	84,311	1,585	71,915	206,530
Less: Treasurer's commission		5,675	176	217	480	130	10	650	409
NET REVENUES	5,239	1,455,190	18,038	93,952	57,934	84,181	1,575	71,265	206,121
EXPENDITURES									
Current:									
General government									
Law enforcement				60,708	47,833	76,039	1,424	80,877	
Public safety	3,171	1,301,455							
Sanitation									264,054
Recreation and culture									
Total Current	3,171	1,301,455		60,708	47,833	76,039	1,424	80,877	264,054
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	3,171	1,301,455		60,708	47,833	76,039	1,424	80,877	264,054
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,068	153,735	18,038	33,244	10,101	8,142	151	(9,612)	(57,933)
OTHER FINANCING SOURCES (USES)									
Transfers out									
Sales tax remitted to Economic Development Corporation									
Bond proceeds									
Loan proceeds									
Insurance proceeds									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,068	153,735	18,038	33,244	10,101	8,142	151	(9,612)	(57,933)
FUND BALANCES - JANUARY 1	333	540,205	23,508	140,102	189,024	76,851	36,587	23,311	151,557
FUND BALANCES - DECEMBER 31	<u>\$ 2,401</u>	<u>\$ 693,940</u>	<u>\$ 41,546</u>	<u>\$ 173,346</u>	<u>\$ 199,125</u>	<u>\$ 84,993</u>	<u>\$ 36,738</u>	<u>\$ 13,699</u>	<u>\$ 93,624</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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	Circuit Clerk Commissioner's Fee	Juvenile Justice Education	Reserve Fund for Rural Fire Protection	Judicial Enhancement	Economic Development Sales Tax	Waste Tire Facility Closure	Victims of Crime	Justice Equitable Sharing Program	Drug Court Accountability Grant
REVENUES									
State aid									
Federal aid							\$ 126,706		
Property taxes									
Sales taxes					\$ 2,167,300				
Fines, forfeitures, and costs								\$ 103,256	
Interest	\$ 31	\$ 2,511		\$ 1					
Officers' fees	15,052								
Net increase (decrease) in the fair value of investments	(32)	103	\$ 58	6		\$ 3	(83)	5	\$ 135
Recycling fees									
School district contributions		539,068							
911 fees									
Jail fees									
Donations									
Treasurer's commission									
Collector's commission									
Other		2,223							
TOTAL REVENUES	15,051	543,905	58	7	2,167,300	3	126,623	103,261	135
Less: Treasurer's commission	79	23							
NET REVENUES	14,972	543,882	58	7	2,167,300	3	126,623	103,261	135
EXPENDITURES									
Current:									
General government									
Law enforcement		514,184		1,192			103,484	105,371	27,370
Public safety									
Sanitation									
Recreation and culture									
Total Current		514,184		1,192			103,484	105,371	27,370
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES		514,184		1,192			103,484	105,371	27,370
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,972	29,698	58	(1,185)	2,167,300	3	23,139	(2,110)	(27,235)
OTHER FINANCING SOURCES (USES)									
Transfers out									
Sales tax remitted to Economic Development Corporation					(2,167,300)				
Bond proceeds									
Loan proceeds									
Insurance proceeds									
TOTAL OTHER FINANCING SOURCES (USES)					(2,167,300)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	14,972	29,698	58	(1,185)		3	23,139	(2,110)	(27,235)
FUND BALANCES - JANUARY 1	4,658	448,938	59,701	1,187		3,721	23,906	7,529	30,359
FUND BALANCES - DECEMBER 31	<u>\$ 19,630</u>	<u>\$ 478,636</u>	<u>\$ 59,759</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ 3,724</u>	<u>\$ 47,045</u>	<u>\$ 5,419</u>	<u>\$ 3,124</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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND	Totals
	Insurance Reimbursement	Assessor's Late Assessment Fee	Communication Facility & Equipment	Jefferson County Construction	County Library Construction	Energy Efficiency Project Bond	Library Tax and Special Tax Bonds, Series 2017	
REVENUES								
State aid							\$ 11,365	\$ 101,038
Federal aid								126,706
Property taxes		\$ 3,450					107,684	721,432
Sales taxes								4,633,410
Fines, forfeitures, and costs								518,057
Interest			\$ 245	\$ 245	\$ 16,277	\$ 4,655	24	43,434
Officers' fees			28,083					480,354
Net increase (decrease) in the fair value of investments	\$ (348)	(13)		190				1,281
Recycling fees								205,657
School district contributions								539,068
911 fees								1,444,117
Jail fees			226,132					226,132
Donations				59,200				59,200
Treasurer's commission								58,030
Collector's commission								115,923
Other								21,579
TOTAL REVENUES	(348)	3,437	254,460	59,635	16,277	4,655	119,073	9,295,418
Less: Treasurer's commission		31		2			1,067	42,047
NET REVENUES	(348)	3,406	254,460	59,633	16,277	4,655	118,006	9,253,371
EXPENDITURES								
Current:								
General government	864,868	2,208						1,338,888
Law enforcement	132,027		229,585	779,761				4,807,000
Public safety								1,304,626
Sanitation								264,054
Recreation and culture						1,801		441,801
Total Current	996,895	2,208	229,585	779,761	1,801	1,801		8,156,369
Debt Service:								
Bond principal							80,000	80,000
Bond interest and other charges						9,500	21,120	30,620
TOTAL EXPENDITURES	996,895	2,208	229,585	779,761	1,801	9,500	101,120	8,266,989
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(997,243)	1,198	24,875	(720,128)	14,476	(4,845)	16,886	986,382
OTHER FINANCING SOURCES (USES)								
Transfers out			(52,600)					(52,600)
Sales tax remitted to Economic Development Corporation								(2,167,300)
Bond proceeds						2,308,008		2,308,008
Loan proceeds				850,000				850,000
Insurance proceeds	1,079,949							1,079,949
TOTAL OTHER FINANCING SOURCES (USES)	1,079,949		(52,600)	850,000		2,308,008		2,018,057
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	82,706	1,198	(27,725)	129,872	14,476	2,303,163	16,886	3,004,439
FUND BALANCES - JANUARY 1		1,894	138,359	(129,404)	1,074,796		111,746	5,730,490
FUND BALANCES - DECEMBER 31	\$ 82,706	\$ 3,092	\$ 110,634	\$ 468	\$ 1,089,272	\$ 2,303,163	\$ 128,632	\$ 8,734,929

JEFFERSON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 16-20-407 established fund to account for a \$2 marriage license fee to be used for operation of the county clerk's office.
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.
County 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.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
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 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Boating Safety	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, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	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.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Prosecuting Attorney Victim Witness	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.
Indigent Criminal 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.
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.
Adult Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judge to be used for the benefit and administration of the drug court program.
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.
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.

JEFFERSON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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	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.
Reserve Fund for Rural Fire Protection	Jefferson County Ordinance no. 1996-14 (February 12, 1996) established fund for receipt and disbursement of sales tax for rural fire protection.
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.
Economic Development Sales Tax	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.
Waste Tire Facility Closure	Ark. Code Ann. § 8-6-1603 and Jefferson County Court Order 2014-7 (January 10, 2014) established fund for the purpose of providing the required financial assurance for closure and post-closure care.
Victims of Crime	Established to receive federal grants for the purpose of salaries for coordinators of victims of violent crime services.
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.
Drug Court Accountability Grant	Established to account for Court Accountability grant received for the Adult Drug Court.
Insurance Reimbursement	Jefferson County Ordinance no. 2018-59 (August 15, 2018) established for insurance proceeds from hail storm damage to real and personal property.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Communication Facility & 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.

JEFFERSON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
County Library Construction	Jefferson County Ordinance no. 2017-59 (October 10, 2017) established the fund to receive and disburse revenue bonds proceeds for library construction.
Energy Efficiency Project Bond	Jefferson County Ordinance no. 2018-62 (August 23, 2018) established the fund to receive and disburse lease purchase proceeds for the acquisition and installation of certain energy equipment and other related energy facilities.
Library Tax and Special Tax Bonds, Series 2017	Jefferson County Ordinance no. 2017-59 (October 10, 2017) established the fund to receive library tax and special tax collection being levied. Trustee established fund to account for the accumulation of resources to retire the debt.

Treasurer's accounts consist primarily of property taxes and interest not distributed to the appropriate agencies.

Collector's accounts consist primarily of property 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 trust money, payroll taxes, and fee money to be settled with Treasurer.

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

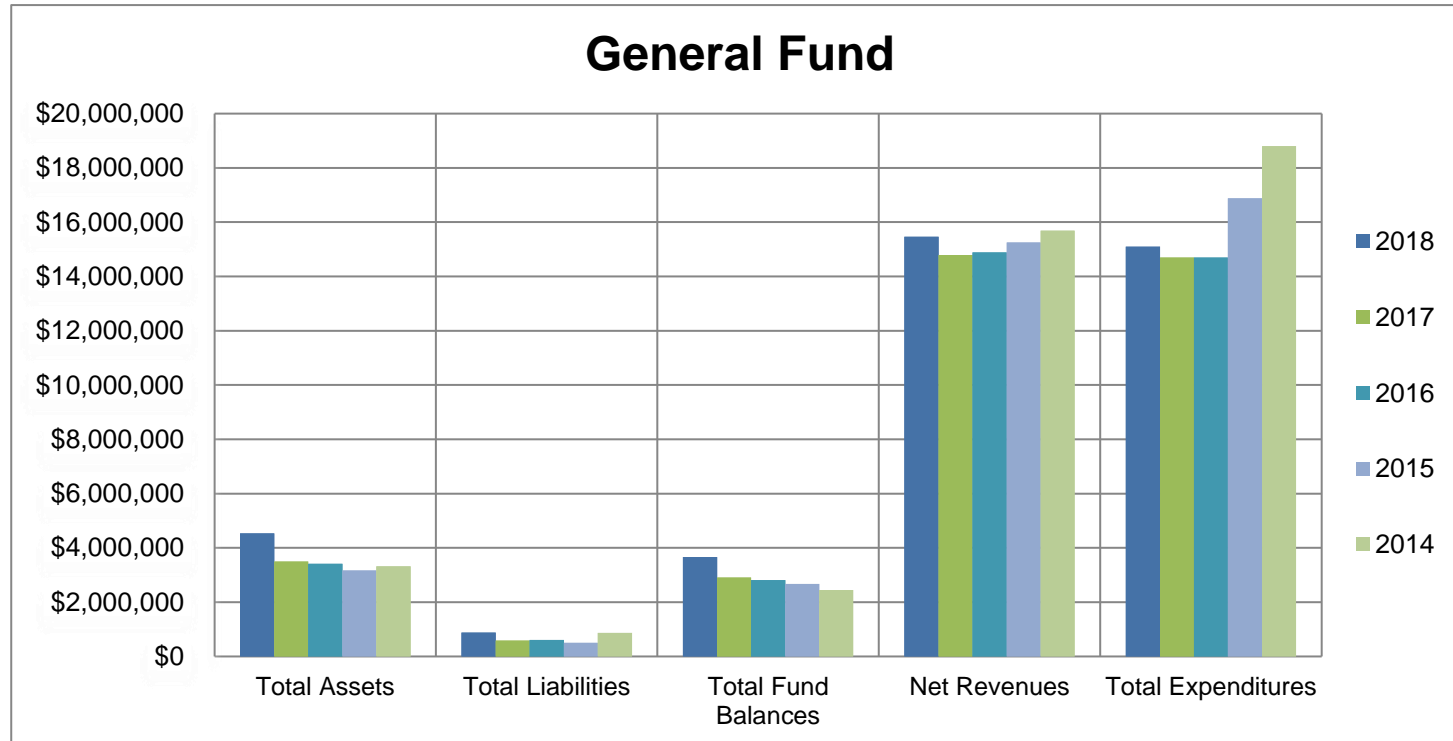
Juvenile Court accounts consist primarily of restitution, fines and costs, and fees not yet distributed to the County or plaintiff.

Sanitation account consists primarily of fees not yet distributed to the County.

JEFFERSON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 3-1

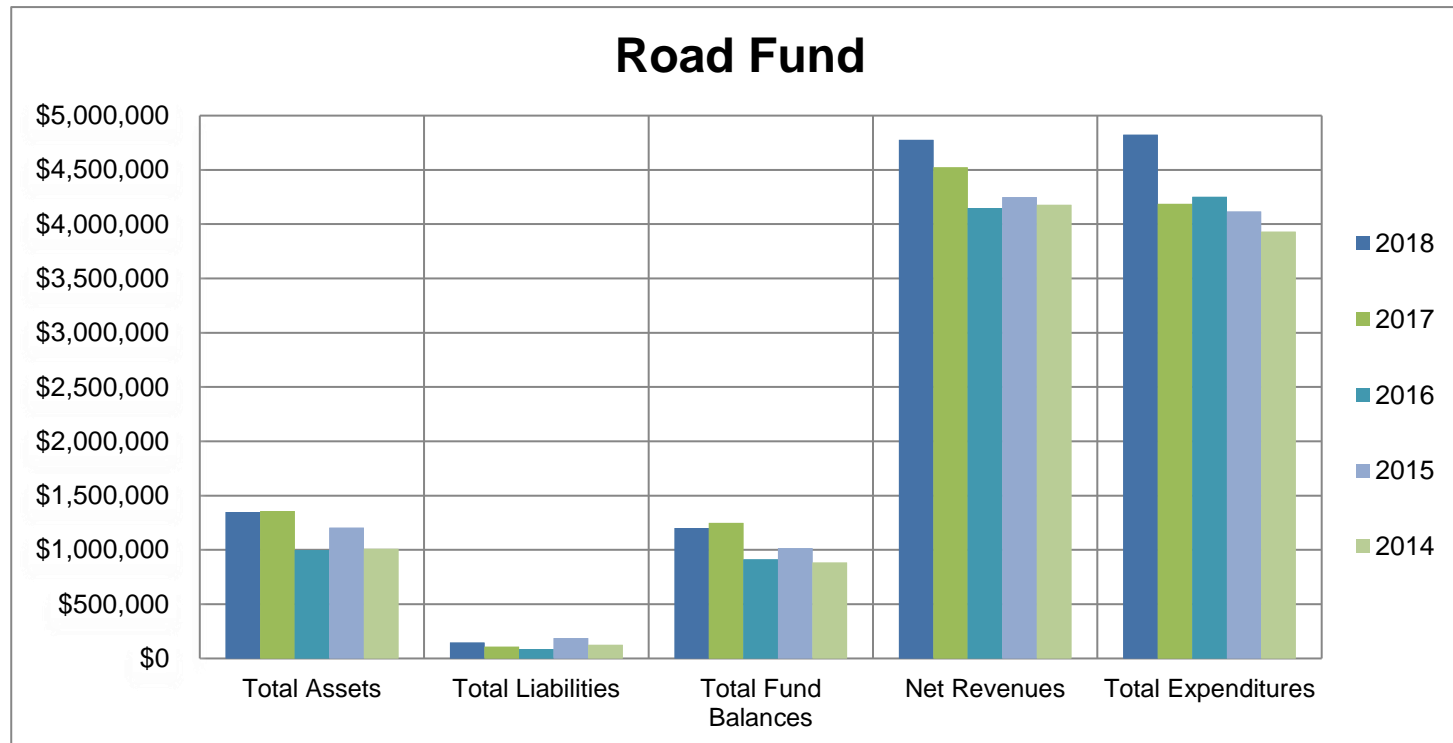
<u>General</u>	2018	2017	2016	2015	2014
Total Assets	\$ 4,536,375	\$ 3,490,779	\$ 3,417,810	\$ 3,171,061	\$ 3,314,694
Total Liabilities	876,632	579,083	609,769	501,303	868,570
Total Fund Balances	3,659,743	2,911,696	2,808,041	2,669,758	2,446,124
Net Revenues	15,466,880	14,794,360	14,888,678	15,255,096	15,681,944
Total Expenditures	15,102,801	14,690,705	14,697,477	16,874,047	18,796,539
Total Other Financing Sources/Uses	383,968		(51,273)	1,842,585	2,195,299



JEFFERSON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 3-2

<u>Road</u>	2018	2017	2016	2015	2014
Total Assets	\$ 1,347,484	\$ 1,357,281	\$ 997,379	\$ 1,204,666	\$ 1,009,463
Total Liabilities	145,044	109,059	86,013	187,886	125,092
Total Fund Balances	1,202,440	1,248,222	911,366	1,016,780	884,371
Net Revenues	4,776,728	4,524,348	4,148,045	4,248,895	4,177,801
Total Expenditures	4,822,510	4,187,492	4,252,680	4,116,486	3,929,864
Total Other Financing Sources/Uses					



JEFFERSON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	2018	2017	2016	2015	2014
Total Assets	\$ 10,699,204	\$ 7,605,295	\$ 5,733,141	\$ 6,307,456	\$ 5,265,143
Total Liabilities	1,964,275	1,874,805	992,747	1,452,280	1,198,744
Total Fund Balances	8,734,929	5,730,490	4,740,394	4,855,176	4,066,399
Net Revenues	9,253,371	10,377,997	10,199,067	10,341,035	10,545,914
Total Expenditures	8,266,989	6,685,264	6,777,322	4,144,859	4,286,476
Total Other Financing Sources/Uses	2,018,057	(2,702,637)	(3,533,549)	(5,396,354)	(5,648,380)

