

**Jefferson County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2019**

LEGISLATIVE JOINT AUDITING COMMITTEE

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JEFFERSON COUNTY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Independent Auditor's Report  
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*  
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	4-3

# 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, 2019, 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, 2019, 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, 2019, 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.

**Emphasis of Matter**

As discussed in Note 12 to the financial statements, in 2019, the County adopted new revenue recognition policies mandated by Ark. Code Ann. § 14-71-101. The law requires sales taxes be recognized in the year received by the County. Our opinions are not modified with respect to this matter.

**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 5, 2020, 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 5, 2020  
LOCO03519

# 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, 2019, and the related notes to the financial statements, and have issued our report thereon dated October 5, 2020. 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 5, 2020.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
October 5, 2020

# Arkansas



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

**Rep. Richard Womack**  
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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2019:

County Judge: Gerald Robinson  
Treasurer: Vonysha Goodwin  
Sheriff: Lafayette Woods, Jr.  
Tax Collector: Tony Washington  
County Clerk: Shawndra Taggart  
Circuit Clerk: Lafayette Woods, Sr.  
Assessor: Yvonne Humphrey

We would like to communicate the following item that came to our attention during this audit. The purpose of such a comment 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. This matter was discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

#### County Judge

Funds of \$10,158 that were restricted for County Road purposes were expended for Sherriff's Department performance bonus, in noncompliance with Ark. Code Ann. § 27-70-207. A similar finding was issued in the prior report, leaving a balance of \$29,434 due to the Road Fund as of report date.

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

Handwritten signature of Marti Steel in cursive.

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
October 5, 2020

JEFFERSON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2019

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,775,113	\$ 1,265,229	\$ 7,304,262
Investments	182,511	61,207	254,700
Accounts receivable	589,243	60,271	299,574
Interfund receivables		29,435	
	<u>\$ 4,546,867</u>	<u>\$ 1,416,142</u>	<u>\$ 7,858,536</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 666,060	\$ 172,816	\$ 154,252
Interfund payables	29,435		
Settlements pending			990,175
Total Liabilities	<u>695,495</u>	<u>172,816</u>	<u>1,144,427</u>
<b>Fund Balances:</b>			
Restricted		1,243,326	6,541,779
Committed			145,442
Assigned	1,316,114		26,888
Unassigned	2,535,258		
Total Fund Balances	<u>3,851,372</u>	<u>1,243,326</u>	<u>6,714,109</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,546,867</u>	<u>\$ 1,416,142</u>	<u>\$ 7,858,536</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, 2019

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,204,515	\$ 2,774,930	\$ 177,431
Federal aid	127,844	67,136	124,846
Property taxes	4,390,649	1,685,241	730,115
Sales taxes	2,354,968		2,291,146
Fines, forfeitures, and costs	770,120		410,932
Interest	20,277	8,279	74,839
Officers' fees	179,247		387,163
Net increase (decrease) in the fair value of investments	16,067	5,348	19,779
Recycling fees			384,191
School district contributions			442,878
911 fees			1,391,388
Jail fees	1,502,044		206,935
Sanitation fees	1,713,217		
Franchise fees	20,169		
Casino gaming tax	94,396		
Insurance proceeds	42,512		194,023
Treasurer's commission	163,708		55,832
Collector's commission	1,013,142		112,567
Taxes apportioned - Assessor's salary and expense	669,087		
Other	959,185	178,725	14,380
	<u>15,241,147</u>	<u>4,719,659</u>	<u>7,018,445</u>
TOTAL REVENUES			
Less: Treasurer's commission	104,327	35,108	37,805
	<u>15,136,820</u>	<u>4,684,551</u>	<u>6,980,640</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	4,308,577		2,815,878
Law enforcement	7,885,430		3,114,378
Highways and streets	291,867	4,487,713	
Public safety	447,265		1,473,795
Sanitation	1,514,788		366,105
Health	30,757		
Recreation and culture	11,916		1,114,329
Social services	96,232		
Total Current	<u>14,586,832</u>	<u>4,487,713</u>	<u>8,884,485</u>
Debt Service:			
Bond principal	122,540		85,000
Bond interest and other charges	47,460		31,975
Lease principal		124,926	
Lease interest		31,026	
Note principal	164,160		
Note interest	24,199		
	<u>14,945,191</u>	<u>4,643,665</u>	<u>9,001,460</u>
TOTAL EXPENDITURES			

JEFFERSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 191,629	\$ 40,886	\$ (2,020,820)
OTHER FINANCING SOURCES (USES)			
Transfers in			2,249
Transfers out			(2,249)
TOTAL OTHER FINANCING SOURCES (USES)			0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	191,629	40,886	(2,020,820)
FUND BALANCES - JANUARY 1,	3,659,743	1,202,440	8,734,929
FUND BALANCES - DECEMBER 31	\$ 3,851,372	\$ 1,243,326	\$ 6,714,109

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, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,118,025	\$ 1,204,515	\$ 86,490	\$ 2,565,000	\$ 2,774,930	\$ 209,930
Federal aid	104,000	127,844	23,844		67,136	67,136
Property taxes	4,111,625	4,390,649	279,024	1,579,300	1,685,241	105,941
Sales taxes	2,350,000	2,354,968	4,968			
Fines, forfeitures, and costs	889,640	770,120	(119,520)			
Interest	10,150	20,277	10,127	7,500	8,279	779
Officers' fees	130,750	179,247	48,497			
Net increase (decrease) in the fair value of investments		16,067	16,067		5,348	5,348
Jail fees	1,539,750	1,502,044	(37,706)			
Sanitation fees	1,380,400	1,713,217	332,817			
Franchise fees	20,000	20,169	169			
Casino gaming tax		94,396	94,396			
Insurance proceeds		42,512	42,512			
Treasurer's commission	176,237	163,708	(12,529)			
Collector's commission	1,000,000	1,013,142	13,142			
Taxes apportioned - Assessor's salary and expense	650,000	669,087	19,087			
Other	663,976	959,185	295,209	212,500	178,725	(33,775)
<b>TOTAL REVENUES</b>	<b>14,144,553</b>	<b>15,241,147</b>	<b>1,096,594</b>	<b>4,364,300</b>	<b>4,719,659</b>	<b>355,359</b>
Less: Treasurer's commission		104,327	(104,327)		35,108	(35,108)
<b>NET REVENUES</b>	<b>14,144,553</b>	<b>15,136,820</b>	<b>992,267</b>	<b>4,364,300</b>	<b>4,684,551</b>	<b>320,251</b>
EXPENDITURES						
Current:						
General government	4,837,458	4,308,577	528,881			
Law enforcement	11,324,839	7,885,430	3,439,409			
Highways and streets		291,867	(291,867)	4,830,769	4,487,713	343,056
Public safety	571,899	447,265	124,634			
Sanitation	1,496,472	1,514,788	(18,316)			
Health	29,960	30,757	(797)			
Recreation and culture	23,832	11,916	11,916			
Social services	136,437	96,232	40,205			
Total Current	18,420,898	14,586,832	3,834,066	4,830,769	4,487,713	343,056
Debt Service:						
Bond principal		122,540	(122,540)			
Bond interest and other charges		47,460	(47,460)			
Lease principal					124,926	(124,926)
Lease interest					31,026	(31,026)
Note principal		164,160	(164,160)			
Note interest		24,199	(24,199)			
<b>TOTAL EXPENDITURES</b>	<b>18,420,898</b>	<b>14,945,191</b>	<b>3,475,707</b>	<b>4,830,769</b>	<b>4,643,665</b>	<b>187,104</b>

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, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,276,345)	\$ 191,629	\$ 4,467,974	\$ (466,469)	\$ 40,886	\$ 507,355
OTHER FINANCING SOURCES (USES)						
Transfers in	2,660,200		(2,660,200)			
Transfers out	(264,870)		264,870			
TOTAL OTHER FINANCING SOURCES (USES)	2,395,330		(2,395,330)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,881,015)	191,629	2,072,644	(466,469)	40,886	507,355
FUND BALANCES - JANUARY 1	1,401,000	3,659,743	2,258,743	900,000	1,202,440	302,440
FUND BALANCES - DECEMBER 31	\$ (480,015)	\$ 3,851,372	\$ 4,331,387	\$ 433,531	\$ 1,243,326	\$ 809,795

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

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**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**

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 and other requirements 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. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

**B. Basis of Presentation – Regulatory (Continued)**

**Other Funds in the Aggregate (Continued)**

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.

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

**C. Basis of Accounting - Regulatory**

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, as well as county sales taxes, 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.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

**D. Assets, Liabilities, and Fund Balances (Continued)**

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.

**DI. 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.

**DII. 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 Insurance Reimbursement and Tucker Community Grant Funds.

**DIII. 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.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**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)	\$ 5,275,508	\$ 5,906,694
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	6,273,675	9,008,399
U.S. government guaranteed accounts	788,212	780,934
Total Deposits	\$ 12,337,395	\$ 15,696,027

The above total deposits do not include cash on hand of \$7,209.

**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, 2019 Fair Value
General	\$ 182,511
Road	61,207
Other Funds in Aggregate	254,700
Totals	\$ 498,418

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)

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

The County's investments are composed of the following:

<u>December 31, 2019</u>	Quoted Prices in Active Markets for Identical Investments Level I
<u>Investment Type</u>	<u>Level I</u>
Treasury notes and mortgage backed securities	<u>\$ 498,418</u>

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.

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2019, is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
State aid	\$ 45,555		
Federal aid	32,142	\$ 56,532	
Fines, forfeitures, and costs	55,217		\$ 23,433
Officers' fees	14,612		38,025
Recycling fees			76,458
911 fees			153,500
Jail fees	223,365		8,158
Sanitation fees	132,096		
Franchise fees	4,456		
Insurance proceeds	540		
Other	81,260	3,739	
Totals	<u>\$ 589,243</u>	<u>\$ 60,271</u>	<u>\$ 299,574</u>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2019, is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Vendor payables	<u>\$ 666,060</u>	<u>\$ 172,816</u>	<u>\$ 154,252</u>

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2019	
	Interfund Receivables	Interfund Payables
General Fund		\$ 29,435
Road Fund	\$ 29,435	
Totals	\$ 29,435	\$ 29,435

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid in 2020.

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

Fund balance classifications at December 31, 2019, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 604,173
Law enforcement			3,057,635
Highways and streets		\$ 1,243,326	
Public safety			628,891
Sanitation			3,739
Recreation and culture			1,217,933
Capital outlay			898,043
Debt service			131,365
Total Restricted		1,243,326	6,541,779
Committed for:			
Public safety			60,001
Sanitation			85,441
Total Committed			145,442
Assigned to:			
General government	\$ 540,097		
Law enforcement	425,892		
Sanitation	350,125		26,888
Total Assigned	1,316,114		26,888
Unassigned	2,535,258		
Totals	\$ 3,851,372	\$ 1,243,326	\$ 6,714,109

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**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, 2019, the legal debt limit for bonded debt was \$76,856,604. There were no property tax secured bond issues subject to the constitutional limitation. As discussed in Note 14, 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, 2019, the legal debt limit for short-term financing obligations was \$23,461,989. The amount of short-term financing obligations was \$1,758,839, leaving a legal debt margin of \$21,703,150.

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2019:

	December 31, 2019
Long-term liabilities	\$ 5,583,315
Noncancellable leases	<u>38,171</u>
Total Commitments	<u>\$ 5,621,486</u>

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 10: Commitments (Continued)**

Long-term Liabilities

Long-term liabilities at December 31, 2019, are comprised of the following:

	December 31, 2019
<u>Bonds</u>	
2017 Library Property Tax Construction Bonds, dated December 11, 2017, in the amount of \$1,120,000, due in annual installments of \$65,000 - \$85,000 beginning February 1, 2018, with the final settlement due February 1, 2033, interest at 3%. Payments are to be made from Debt Service Fund.	\$ 955,000
Local Government Energy Efficiency Project Bond dated September 25, 2018, in the amount of \$2,308,008 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.	2,185,468
Total Bonds	3,140,468
Lease-purchase agreement dated June 28, 2018, with FBT Bank and Mortgage in the amount of \$62,000 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.	44,981
Lease-purchase agreement dated July 6, 2018, with FBT Bank and Mortgage in the amount of \$68,406 for 2017 Etnyre Low boy Trailer; 60 monthly payments of \$1,290 through July 2023; Interest 5.01%. Payments are to be made from the Road Fund.	50,712
Lease-purchase agreement dated March 14, 2018, with BancorpSouth Equipment Finance in the amount of \$760,000 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.	621,974
Lease-purchase agreement dated July 18, 2018, with FBT Bank and Mortgage in the amount of \$ 113,875 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.	84,420
Promissory note dated December 15, 2017, with Relyance Bank in the amount of \$850,000 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 of 3.5% on December 14, 2022. Payments to be made from Justice Equitable Sharing Fund.	518,997
Lease-purchase agreement dated April 18, 2019, with FBT Bank and Mortgage in the amount of \$189,200 for a 2020 Kenworth Truck with 2000 gallon distributor, 5 annual payments of \$43,647 beginning April 18, 2020 through April 2024; Interest 4.96%. Payments are to be made from the Road Fund.	189,200
Lease-purchase agreement dated July 3, 2019, with Welch State Bank in the amount of \$ 83,400 for a 2018 Case Crawler Dozer, 5 annual payments of \$18,936 beginning July 3, 2020 through July 2024; Interest 4.37%. Payments are to be made from the Road Fund.	83,400
Promissory note dated February 7, 2019, with Simmons Bank in the amount of \$62,000 for (2) Pacifica Touring Vans; 4 annual installment payments of \$16,865 beginning April 15, 2020 through April 2023. Interest 4.2%. Payments are to be made from the General Fund	62,000
Promissory note dated February 7, 2019, with Simmons Bank in the amount of \$103,155 for Woods Ditchbank Mower, (2) 2019 Ford F150 Trucks, and (1) 2018 Chevrolet Silverado 4x4; 4 annual installment payments of \$29,121 beginning April 15, 2020 through April 2023. Interest 4.2%. Payments are to be made from the Road Fund.	103,155
Total Direct Borrowings	1,758,839
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	684,008
Total Long-term liabilities	\$ 5,583,315

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 10: Commitments (Continued)**

Long-term Liabilities (Continued)

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

The County's outstanding bonds payable of \$955,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 25% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The County's outstanding bonds payable of \$ 2,185,468 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

The County's outstanding notes and lease purchases from direct borrowings of \$1,758,839 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2019	Maturities to December 31, 2019
<u>Bonds</u>					
12/11/17	2/1/33	3.00%	\$ 1,120,000	\$ 955,000	\$ 165,000
9/25/18	4/1/38	3.98%	2,308,008	2,185,468	122,540
Total Bonds			<u>3,428,008</u>	<u>3,140,468</u>	<u>287,540</u>
<u>Direct Borrowings</u>					
6/28/18	6/28/23	4.95%	62,000	44,981	17,019
7/6/18	7/6/23	5.01%	68,406	50,712	17,694
3/14/18	4/14/23	3.14%	760,000	621,974	138,026
7/18/18	7/18/23	5.01%	113,875	84,420	29,455
12/15/17	12/15/22	3.50%	850,000	518,997	331,003
4/18/19	4/18/24	4.96%	189,200	189,200	
7/3/19	7/3/24	4.37%	83,400	83,400	
2/7/19	4/15/23	4.20%	62,000	62,000	
2/7/19	4/15/23	4.20%	103,155	103,155	
Total Direct Borrowings			<u>2,292,036</u>	<u>1,758,839</u>	<u>533,197</u>
Total Long-Term Debt			<u>\$ 5,720,044</u>	<u>\$ 4,899,307</u>	<u>\$ 820,737</u>

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 10: Commitments (Continued)**

Changes in Long-Term Debt

	Balance January 01, 2019	Issued	Retired	Balance December 31, 2019
Bonds payable	\$ 3,348,008		\$ 207,540	\$ 3,140,468
<u>Direct Borrowings</u>				
Notes payable	683,158	165,155	164,160	684,153
Capital leases	927,012	272,600	124,926	1,074,686
Total Direct Borrowings	1,610,170	437,755	289,086	1,758,839
Total Long-Term Debt	\$ 4,958,178	\$ 437,755	\$ 496,626	\$ 4,899,307

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2019:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 33,170	\$ 114,732	\$ 147,902	\$ 393,759	\$ 67,412	\$ 461,171
2021	102,339	111,611	213,950	851,218	37,906	889,124
2022	111,024	108,126	219,150	321,883	20,852	342,735
2023	118,054	104,221	222,275	132,257	7,968	140,225
2024	123,365	99,960	223,325	59,722	2,861	62,583
2025 through 2029	774,584	426,616	1,201,200			
2030 through 2034	1,058,669	266,706	1,325,375			
2035 through 2038	819,263	84,510	903,773			
Totals	\$ 3,140,468	\$ 1,316,482	\$ 4,456,950	\$ 1,758,839	\$ 136,999	\$ 1,895,838

Noncancellable Leases

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 year:

Year	December 31, 2019
2020	\$ 38,171

Rental expense for 2019 was \$72,957.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 11: Interfund Transfers**

Within Other Funds in the Aggregate, Justice Equitable Sharing transferred \$2,249 to Treasury Equitable Sharing Grant due to a posting error.

**NOTE 12: Change in Accounting Policy**

Ark. Code Ann. § 14-71-101 went into effect for the year ended December 31, 2019, and requires sales taxes be recognized in the year received by the County. For 2019, the County will only recognize 11 months of sales taxes instead of 12 months.

**NOTE 13: Subsequent Events**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the County is uncertain.

**NOTE 14: 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 \$955,000 and \$206,025, respectively, payable through February 1, 2033. For 2019, principal and interest paid were \$85,000 and \$30,025, respectively.

The Debt Service Fund received \$109,281 in property taxes in 2019. The proceeds of the tax levy cannot to be used for any purpose other than payment of debt service on the bonds.

**NOTE 15: 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 \$655,999 in 2019. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

**NOTE 16: Jointly Governed Organizations**

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, 2019 to June 30, 2020, 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 2019 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, 2019

**NOTE 17: 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, 2019

**NOTE 18: 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](http://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, 2019 were \$1,605,518.

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, 2019 was \$13,211,979.

**NOTE 19: 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 20: 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 21: 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, 2019

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 Jal Operations)
<b>ASSETS</b>									
Cash and cash equivalents	\$ 79,196	\$ 281,697	\$ 2,908	\$ 47,837	\$ 3,748	\$ 112,108	\$ 1,118,816	\$ 5,130	\$ 1,849,265
Investments	3,831	13,627	141	2,314	181	5,423	54,124	248	89,461
Accounts receivable			801		603	34,425		95	10,527
<b>TOTAL ASSETS</b>	<b>\$ 83,027</b>	<b>\$ 295,324</b>	<b>\$ 3,850</b>	<b>\$ 50,151</b>	<b>\$ 4,532</b>	<b>\$ 151,956</b>	<b>\$ 1,172,940</b>	<b>\$ 5,473</b>	<b>\$ 1,949,253</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 278	\$ 3,138				\$ 1,455			
Settlements pending									
<b>Total Liabilities</b>	<b>278</b>	<b>3,138</b>				<b>1,455</b>			
<b>Fund Balances:</b>									
Restricted	82,749	292,186	\$ 3,850	\$ 50,151	\$ 4,532	150,501	\$ 1,172,940	\$ 5,473	\$ 1,949,253
Committed									
Assigned									
<b>Total Fund Balances</b>	<b>82,749</b>	<b>292,186</b>	<b>3,850</b>	<b>50,151</b>	<b>4,532</b>	<b>150,501</b>	<b>1,172,940</b>	<b>5,473</b>	<b>1,949,253</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 83,027</b>	<b>\$ 295,324</b>	<b>\$ 3,850</b>	<b>\$ 50,151</b>	<b>\$ 4,532</b>	<b>\$ 151,956</b>	<b>\$ 1,172,940</b>	<b>\$ 5,473</b>	<b>\$ 1,949,253</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

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
<b>ASSETS</b>									
Cash and cash equivalents	\$ 3,618	\$ 522,001	\$ 8,301	\$ 162,292	\$ 202,061	\$ 64,204	\$ 39,091	\$ 11,721	\$ 54,300
Investments	175	25,253	402	7,851	9,775	3,106	1,891	567	2,627
Accounts receivable		153,750	925	1,939	4,370	1,190	125	4,289	76,458
<b>TOTAL ASSETS</b>	<b>\$ 3,793</b>	<b>\$ 701,004</b>	<b>\$ 9,628</b>	<b>\$ 172,082</b>	<b>\$ 216,206</b>	<b>\$ 68,500</b>	<b>\$ 41,107</b>	<b>\$ 16,577</b>	<b>\$ 133,385</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable		\$ 72,113		\$ 368	\$ 3,424		\$ 82		\$ 21,056
Settlements pending									
<b>Total Liabilities</b>		<b>72,113</b>		<b>368</b>	<b>3,424</b>		<b>82</b>		<b>21,056</b>
<b>Fund Balances:</b>									
Restricted	\$ 3,793	628,891	\$ 9,628	171,714	212,782	\$ 68,500	41,025	\$ 16,577	
Committed									85,441
Assigned									26,888
<b>Total Fund Balances</b>	<b>3,793</b>	<b>628,891</b>	<b>9,628</b>	<b>171,714</b>	<b>212,782</b>	<b>68,500</b>	<b>41,025</b>	<b>16,577</b>	<b>112,329</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,793</b>	<b>\$ 701,004</b>	<b>\$ 9,628</b>	<b>\$ 172,082</b>	<b>\$ 216,206</b>	<b>\$ 68,500</b>	<b>\$ 41,107</b>	<b>\$ 16,577</b>	<b>\$ 133,385</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

SPECIAL REVENUE FUNDS

	Circuit Clerk Commissioner's Fee	Juvenile Justice Education	Reserve Fund for Rural Fire Protection	Waste Tire Facility Closure	Courthouse Security	Victims of Crime	Justice Equitable Sharing Program	Drug Court Accountability Grant
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,032	\$ 398,154	\$ 57,232	\$ 3,567	\$ 9	\$ 68,693	\$ 15,528	\$ 149
Investments	340	19,261	2,769	172		3,323	751	7
Accounts receivable								
<b>TOTAL ASSETS</b>	<b>\$ 7,372</b>	<b>\$ 417,415</b>	<b>\$ 60,001</b>	<b>\$ 3,739</b>	<b>\$ 9</b>	<b>\$ 72,016</b>	<b>\$ 16,279</b>	<b>\$ 156</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable		\$ 7,933				\$ 1,776	\$ 2,561	
Settlements pending								
<b>Total Liabilities</b>		<b>7,933</b>				<b>1,776</b>	<b>2,561</b>	
<b>Fund Balances:</b>								
Restricted	\$ 7,372	409,482		\$ 3,739	\$ 9	70,240	13,718	\$ 156
Committed			\$ 60,001					
Assigned								
<b>Total Fund Balances</b>	<b>7,372</b>	<b>409,482</b>	<b>60,001</b>	<b>3,739</b>	<b>9</b>	<b>70,240</b>	<b>13,718</b>	<b>156</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,372</b>	<b>\$ 417,415</b>	<b>\$ 60,001</b>	<b>\$ 3,739</b>	<b>\$ 9</b>	<b>\$ 72,016</b>	<b>\$ 16,279</b>	<b>\$ 156</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND
	Insurance Reimbursement	Assessor's Late Assessment Fee	Treasury Equitable Sharing Grant	Tucker Community Grant	Communication Facility & Equipment	Jefferson County Construction	County Library Construction	Energy Efficiency Project Bond	Library Tax and Special Tax Bonds, Series 2017
<b>ASSETS</b>									
Cash and cash equivalents	\$ 9,224	\$ 4,482	\$ 2,145	\$ 42,917	\$ 111,490	\$ 509	\$ 656,847	\$ 240,662	\$ 131,365
Investments	446	217	104	2,076		25			
Accounts receivable					10,077				
<b>TOTAL ASSETS</b>	<b>\$ 9,670</b>	<b>\$ 4,699</b>	<b>\$ 2,249</b>	<b>\$ 44,993</b>	<b>\$ 121,567</b>	<b>\$ 534</b>	<b>\$ 656,847</b>	<b>\$ 240,662</b>	<b>\$ 131,365</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 9,268				\$ 30,800				
Settlements pending									
Total Liabilities	<u>9,268</u>				<u>30,800</u>				
Fund Balances:									
Restricted	402	\$ 4,699	\$ 2,249	\$ 44,993	90,767	\$ 534	\$ 656,847	\$ 240,662	\$ 131,365
Committed									
Assigned									
Total Fund Balances	<u>402</u>	<u>4,699</u>	<u>2,249</u>	<u>44,993</u>	<u>90,767</u>	<u>534</u>	<u>656,847</u>	<u>240,662</u>	<u>131,365</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,670</b>	<b>\$ 4,699</b>	<b>\$ 2,249</b>	<b>\$ 44,993</b>	<b>\$ 121,567</b>	<b>\$ 534</b>	<b>\$ 656,847</b>	<b>\$ 240,662</b>	<b>\$ 131,365</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Sanitation	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 87,086	\$ 13,169	\$ 466,323	\$ 31,516	\$ 255,249	\$ 60	\$ 132,560	\$ 7,304,262
Investments	4,212							254,700
Accounts receivable								299,574
<b>TOTAL ASSETS</b>	<b>\$ 91,298</b>	<b>\$ 13,169</b>	<b>\$ 466,323</b>	<b>\$ 31,516</b>	<b>\$ 255,249</b>	<b>\$ 60</b>	<b>\$ 132,560</b>	<b>\$ 7,858,536</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable								\$ 154,252
Settlements pending	\$ 91,298	\$ 13,169	\$ 466,323	\$ 31,516	\$ 255,249	\$ 60	\$ 132,560	990,175
<b>Total Liabilities</b>	<b>91,298</b>	<b>13,169</b>	<b>466,323</b>	<b>31,516</b>	<b>255,249</b>	<b>60</b>	<b>132,560</b>	<b>1,144,427</b>
<b>Fund Balances:</b>								
Restricted								6,541,779
Committed								145,442
Assigned								26,888
<b>Total Fund Balances</b>								<b>6,714,109</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 91,298</b>	<b>\$ 13,169</b>	<b>\$ 466,323</b>	<b>\$ 31,516</b>	<b>\$ 255,249</b>	<b>\$ 60</b>	<b>\$ 132,560</b>	<b>\$ 7,858,536</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

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				\$ 24,434			\$ 62,805		
Federal aid									
Property taxes							617,396		
Sales taxes									\$ 2,291,146
Fines, forfeitures, and costs			\$ 8,992						127,929
Interest	\$ 667	\$ 2,158	60	549	\$ 152	\$ 1,759	10,588		14,715
Officers' fees					10,456	312,766		\$ 667	
Net increase (decrease) in the fair value of investments	224	1,022	13	190	42	441	4,614	19	4,822
Recycling fees									
School district contributions									
911 fees									
Jail fees									
Insurance proceeds									
Treasurer's commission	55,832								
Collector's commission		112,567							
Other									
<b>TOTAL REVENUES</b>	<b>56,723</b>	<b>115,747</b>	<b>9,065</b>	<b>25,173</b>	<b>10,650</b>	<b>314,966</b>	<b>695,403</b>	<b>686</b>	<b>2,438,612</b>
Less: Treasurer's commission	5	902	70	196	84	2,375	5,431	4	20,679
<b>NET REVENUES</b>	<b>56,718</b>	<b>114,845</b>	<b>8,995</b>	<b>24,977</b>	<b>10,566</b>	<b>312,591</b>	<b>689,972</b>	<b>682</b>	<b>2,417,933</b>
EXPENDITURES									
Current:									
General government	29,874	74,739	6,496	21,929	16,771	288,556			
Law enforcement									1,891,491
Public safety									
Sanitation									
Recreation and culture							655,999		
Total Current	29,874	74,739	6,496	21,929	16,771	288,556	655,999		1,891,491
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>29,874</b>	<b>74,739</b>	<b>6,496</b>	<b>21,929</b>	<b>16,771</b>	<b>288,556</b>	<b>655,999</b>		<b>1,891,491</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>26,844</b>	<b>40,106</b>	<b>2,499</b>	<b>3,048</b>	<b>(6,205)</b>	<b>24,035</b>	<b>33,973</b>	<b>682</b>	<b>526,442</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>26,844</b>	<b>40,106</b>	<b>2,499</b>	<b>3,048</b>	<b>(6,205)</b>	<b>24,035</b>	<b>33,973</b>	<b>682</b>	<b>526,442</b>
FUND BALANCES - JANUARY 1,	55,905	252,080	1,351	47,103	10,737	126,466	1,138,967	4,791	1,422,811
FUND BALANCES - DECEMBER 31	<u>\$ 82,749</u>	<u>\$ 292,186</u>	<u>\$ 3,850</u>	<u>\$ 50,151</u>	<u>\$ 4,532</u>	<u>\$ 150,501</u>	<u>\$ 1,172,940</u>	<u>\$ 5,473</u>	<u>\$ 1,949,253</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, 2019

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	\$ 4,002				\$ 2,801		\$ 7,174		
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 10,112	\$ 75,984	56,794	\$ 67,013	1,434	\$ 22,888	
Interest	26	\$ 6,172	324	1,803	2,057	422	358	65	\$ 386
Officers' fees							105	31,374	
Net increase (decrease) in the fair value of investments	9	2,797	171	697	806	342	147	35	313
Recycling fees									384,191
School district contributions									
911 fees		1,391,388							
Jail fees									
Insurance proceeds		121							
Treasurer's commission									
Collector's commission									
Other		12,446							1,434
<b>TOTAL REVENUES</b>	<b>4,037</b>	<b>1,412,924</b>	<b>10,607</b>	<b>78,484</b>	<b>62,458</b>	<b>67,777</b>	<b>9,218</b>	<b>54,362</b>	<b>386,324</b>
Less: Treasurer's commission		4,178	78	197	429	115	17	432	1,514
<b>NET REVENUES</b>	<b>4,037</b>	<b>1,408,746</b>	<b>10,529</b>	<b>78,287</b>	<b>62,029</b>	<b>67,662</b>	<b>9,201</b>	<b>53,930</b>	<b>384,810</b>
EXPENDITURES									
Current:									
General government									
Law enforcement	2,645		42,447	79,919	48,372	84,155	4,914	51,052	
Public safety		1,473,795							
Sanitation									366,105
Recreation and culture									
Total Current	2,645	1,473,795	42,447	79,919	48,372	84,155	4,914	51,052	366,105
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>2,645</b>	<b>1,473,795</b>	<b>42,447</b>	<b>79,919</b>	<b>48,372</b>	<b>84,155</b>	<b>4,914</b>	<b>51,052</b>	<b>366,105</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,392	(65,049)	(31,918)	(1,632)	13,657	(16,493)	4,287	2,878	18,705
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,392	(65,049)	(31,918)	(1,632)	13,657	(16,493)	4,287	2,878	18,705
FUND BALANCES - JANUARY 1,	2,401	693,940	41,546	173,346	199,125	84,993	36,738	13,699	93,624
FUND BALANCES - DECEMBER 31	<u>\$ 3,793</u>	<u>\$ 628,891</u>	<u>\$ 9,628</u>	<u>\$ 171,714</u>	<u>\$ 212,782</u>	<u>\$ 68,500</u>	<u>\$ 41,025</u>	<u>\$ 16,577</u>	<u>\$ 112,329</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, 2019

Schedule 2

	SPECIAL REVENUE FUNDS								
	Circuit Clerk Commissioner's Fee	Juvenile Justice Education	Reserve Fund for Rural Fire Protection	Judicial Enhancement	Waste Tire Facility Closure	Courthouse Security	Victims of Crime	Justice Equitable Sharing Program	Drug Court Accountability Grant
REVENUES									
State aid						\$ 15,000			
Federal aid							\$ 124,846		
Property taxes									
Sales taxes									
Fines, forfeitures, and costs								\$ 39,786	
Interest	\$ 193	\$ 4,982				9			
Officers' fees	3,057								
Net increase (decrease) in the fair value of investments	55	2,005	\$ 242		\$ 15		153	189	\$ 13
Recycling fees									
School district contributions		442,878							
911 fees									
Jail fees									
Insurance proceeds									
Treasurer's commission									
Collector's commission									
Other								500	
<b>TOTAL REVENUES</b>	<b>3,305</b>	<b>449,865</b>	<b>242</b>		<b>15</b>	<b>15,009</b>	<b>124,999</b>	<b>40,475</b>	<b>13</b>
Less: Treasurer's commission	76	39							
<b>NET REVENUES</b>	<b>3,229</b>	<b>449,826</b>	<b>242</b>		<b>15</b>	<b>15,009</b>	<b>124,999</b>	<b>40,475</b>	<b>13</b>
EXPENDITURES									
Current:									
General government	15,487					15,000			
Law enforcement		518,980		\$ 2			101,804	29,927	2,981
Public safety									
Sanitation									
Recreation and culture									
<b>Total Current</b>	<b>15,487</b>	<b>518,980</b>		<b>2</b>		<b>15,000</b>	<b>101,804</b>	<b>29,927</b>	<b>2,981</b>
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>15,487</b>	<b>518,980</b>		<b>2</b>		<b>15,000</b>	<b>101,804</b>	<b>29,927</b>	<b>2,981</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,258)</b>	<b>(69,154)</b>	<b>242</b>	<b>(2)</b>	<b>15</b>	<b>9</b>	<b>23,195</b>	<b>10,548</b>	<b>(2,968)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out								(2,249)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								<b>(2,249)</b>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(12,258)</b>	<b>(69,154)</b>	<b>242</b>	<b>(2)</b>	<b>15</b>	<b>9</b>	<b>23,195</b>	<b>8,299</b>	<b>(2,968)</b>
FUND BALANCES - JANUARY 1,	19,630	478,636	59,759	2	3,724	0	47,045	5,419	3,124
FUND BALANCES - DECEMBER 31	<u>\$ 7,372</u>	<u>\$ 409,482</u>	<u>\$ 60,001</u>	<u>\$ 0</u>	<u>\$ 3,739</u>	<u>\$ 9</u>	<u>\$ 70,240</u>	<u>\$ 13,718</u>	<u>\$ 156</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, 2019

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND	Totals
	Insurance Reimbursement	Assessor's Late Assessment Fee	Treasury Equitable Sharing Grant	Tucker Community Grant	Communication Facility & Equipment	Jefferson County Construction	County Library Construction	Energy Efficiency Project Bond	Library Tax and Special Tax Bonds, Series 2017	
REVENUES										
State aid				\$ 50,000					\$ 11,215	\$ 177,431
Federal aid										124,846
Property taxes		\$ 3,438							109,281	730,115
Sales taxes										2,291,146
Fines, forfeitures, and costs										410,932
Interest					\$ 149	\$ 14	\$ 20,905	\$ 6,157	169	74,839
Officers' fees					28,738					387,163
Net increase (decrease) in the fair value of investments	\$ 346	12		(7)		52				19,779
Recycling fees										384,191
School district contributions										442,878
911 fees										1,391,388
Jail fees					206,935					206,935
Insurance proceeds	193,902									194,023
Treasurer's commission										55,832
Collector's commission										112,567
Other										14,380
<b>TOTAL REVENUES</b>	<b>194,248</b>	<b>3,450</b>		<b>49,993</b>	<b>235,822</b>	<b>66</b>	<b>20,905</b>	<b>6,157</b>	<b>120,665</b>	<b>7,018,445</b>
Less: Treasurer's commission		27							957	37,805
<b>NET REVENUES</b>	<b>194,248</b>	<b>3,423</b>		<b>49,993</b>	<b>235,822</b>	<b>66</b>	<b>20,905</b>	<b>6,157</b>	<b>119,708</b>	<b>6,980,640</b>
EXPENDITURES										
Current:										
General government	276,552	1,816						2,068,658		2,815,878
Law enforcement					255,689					3,114,378
Public safety										1,473,795
Sanitation										366,105
Recreation and culture				5,000			453,330			1,114,329
Total Current	<u>276,552</u>	<u>1,816</u>		<u>5,000</u>	<u>255,689</u>		<u>453,330</u>	<u>2,068,658</u>		<u>8,884,485</u>
Debt Service:										
Bond principal									85,000	85,000
Bond interest and other charges									31,975	31,975
<b>TOTAL EXPENDITURES</b>	<b>276,552</b>	<b>1,816</b>		<b>5,000</b>	<b>255,689</b>		<b>453,330</b>	<b>2,068,658</b>	<b>116,975</b>	<b>9,001,460</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,304)	1,607		44,993	(19,867)	66	(432,425)	(2,062,501)	2,733	(2,020,820)
OTHER FINANCING SOURCES (USES)										
Transfers in			\$ 2,249							2,249
Transfers out										(2,249)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>2,249</b>							<b>0</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(82,304)	1,607	2,249	44,993	(19,867)	66	(432,425)	(2,062,501)	2,733	(2,020,820)
FUND BALANCES - JANUARY 1,	82,706	3,092	0	0	110,634	468	1,089,272	2,303,163	128,632	8,734,929
FUND BALANCES - DECEMBER 31	<u>\$ 402</u>	<u>\$ 4,699</u>	<u>\$ 2,249</u>	<u>\$ 44,993</u>	<u>\$ 90,767</u>	<u>\$ 534</u>	<u>\$ 656,847</u>	<u>\$ 240,662</u>	<u>\$ 131,365</u>	<u>\$ 6,714,109</u>

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2019

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.
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.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2019

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.

JEFFERSON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2019

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Courthouse Security	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
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.
Treasury Equitable Sharing Grant	Established to account for grant from the Internal Revenue Service to establish separate Department of Justice and Department of the Treasury accounts or accounting codes to track both revenues and expenditures for each respective program.
Tucker Community Grant	Established to account for grant received from Arkansas Department of Parks & Tourism for the Tucker Community Park.
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, 2019

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, evidence, and inmate trust money.

County Clerk's accounts consist primarily of trust money.

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

District Court accounts consist primarily of trust money awaiting disposition by the applicable court.

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

JEFFERSON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2019  
(Unaudited)

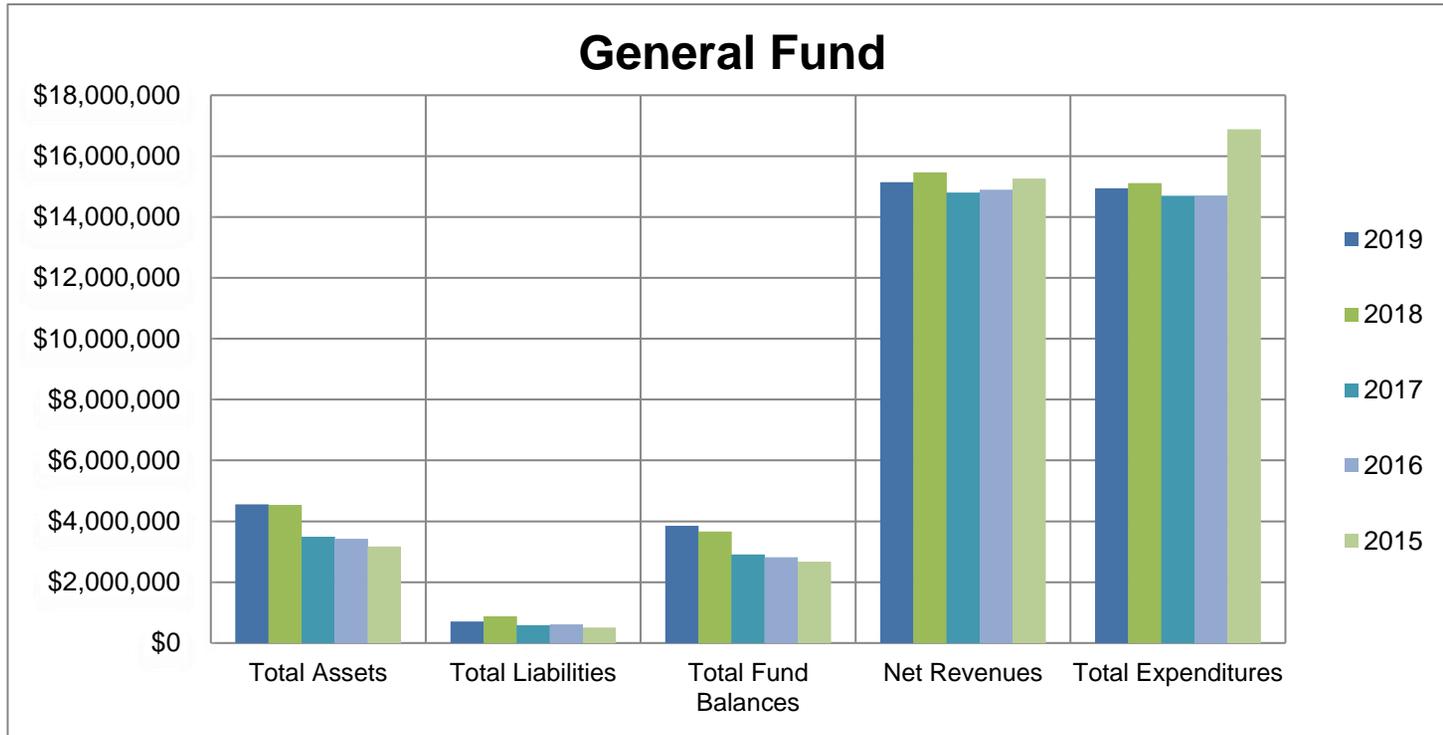
Schedule 3

	<u>December 31, 2019</u>
Buildings	\$ 52,340,037
Equipment	<u>13,826,861</u>
Total	<u><u>\$ 66,166,898</u></u>

JEFFERSON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2019  
 (Unaudited)

Schedule 4-1

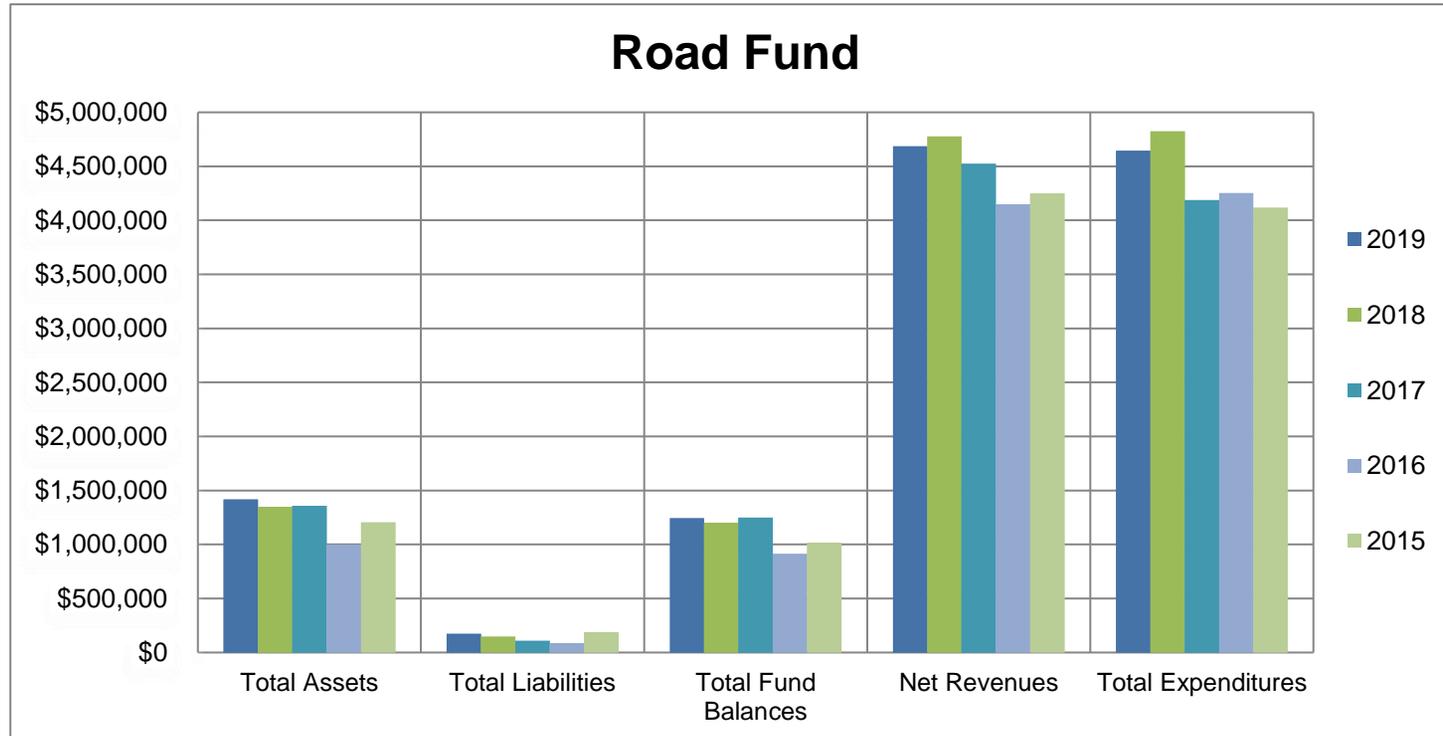
<u>General</u>	2019	2018	2017	2016	2015
Total Assets	\$ 4,546,867	\$ 4,536,375	\$ 3,490,779	\$ 3,417,810	\$ 3,171,061
Total Liabilities	695,495	876,632	579,083	609,769	501,303
Total Fund Balances	3,851,372	3,659,743	2,911,696	2,808,041	2,669,758
Net Revenues	15,136,820	15,466,880	14,794,360	14,888,678	15,255,096
Total Expenditures	14,945,191	15,102,801	14,690,705	14,697,477	16,874,047
Total Other Financing Sources/Uses		383,968		(51,273)	1,842,585



JEFFERSON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2019  
 (Unaudited)

Schedule 4-2

<u>Road</u>	2019	2018	2017	2016	2015
Total Assets	\$ 1,416,142	\$ 1,347,484	\$ 1,357,281	\$ 997,379	\$ 1,204,666
Total Liabilities	172,816	145,044	109,059	86,013	187,886
Total Fund Balances	1,243,326	1,202,440	1,248,222	911,366	1,016,780
Net Revenues	4,684,551	4,776,728	4,524,348	4,148,045	4,248,895
Total Expenditures	4,643,665	4,822,510	4,187,492	4,252,680	4,116,486
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, 2019  
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2019	2018	2017	2016	2015
Total Assets	\$ 7,858,536	\$ 10,699,204	\$ 7,605,295	\$ 5,733,141	\$ 6,307,456
Total Liabilities	1,144,427	1,964,275	1,874,805	992,747	1,452,280
Total Fund Balances	6,714,109	8,734,929	5,730,490	4,740,394	4,855,176
Net Revenues	6,980,640	9,253,371	10,377,997	10,199,067	10,341,035
Total Expenditures	9,001,460	8,266,989	6,685,264	6,777,322	4,144,859
Total Other Financing Sources/Uses		2,018,057	(2,702,637)	(3,533,549)	(5,396,354)

