

Jefferson County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



JEFFERSON COUNTY, ARKANSAS
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Arkansas

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Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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, 2020, 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, 2020, 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, 2020, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, 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
September 30, 2021
LOCO03520

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2021. 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 September 30, 2021.

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
September 30, 2021

Arkansas

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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 2020:

County Judge: Gerald Robinson
Treasurer: Vonysha Goodwin
Sheriff: Lafayette Woods, Jr.
Tax Collector: Tony Washington
County Clerk: Shawndra Taggart
Circuit Clerk: Lafayette Woods, Sr. (Retired October 1, 2020)
Barbara Collins (Appointed October 1, 2020)
Assessor: Yvonne Humphrey
Circuit Judge (Juvenile Division): Earnest Brown Jr.

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

County Judge

Due to the COVID-19 pandemic, the County paid \$70,920 to two individuals for deep cleaning and sanitizing of County buildings during the period January 1, 2020 through August 26, 2021. These individuals do not appear to have provided cleaning services to other customers or to operate an incorporated cleaning business. Additionally, we were unable to determine if these individuals were qualified to provide specialized cleaning services.

During a meeting with the County Judge and other County employees on August 24, 2021, the County Judge's Chief of Staff acknowledged hiring the individuals and approving the invoices. However, she was unable to provide any detailed information concerning these individuals' qualifications or the process for selecting them to provide the cleaning services.

Also, the County Clerk failed to issue an Internal Revenue Service (IRS) Form 1099-Misc. to one of the individuals, who received payments totaling \$26,600 in 2020.

The County Judge notified the 11th West Judicial District Prosecuting Attorney of these matters.

Sheriff

We noted the following areas of noncompliance related to the Jefferson County Bond and Fine account:

- Monthly bank reconciliations were not performed, as required by Ark. Code Ann. § 14-25-107.
- Cash receipts and disbursements journals were not reconciled to deposits and disbursements as shown on the monthly bank statement, as required by Ark. Code Ann. § 14-25-112.
- The balance remaining in the Bond and Fine Account of \$246,138 was not identified with receipts issued for cases not yet adjudicated, as required by Ark. Code Ann. § 16-10-207.

The following Information System weakness was noted during a review of computers:

The Disaster Recovery Plan in place was inadequate (both technical and end user) for restoring from short-term or long-term interruptions of computer processing. This situation could cause the entity to be without computer processing for an extended period of time in the event of a disaster or major interruption and could also place a financial and personnel burden on the resources of the entity.

Other Issues

Beginning January 28, 2020 through February 25, 2020, nineteen unauthorized withdrawals totaling \$10,597 were made from the County Treasurer's Check Warrant Account. Entity personnel discovered the unauthorized withdrawals upon reconciliation of the affected bank account. All funds were recovered from the bank.

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



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 30, 2021

JEFFERSON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 6,743,256	\$ 2,486,713	\$ 19,075,373
Accounts receivable	498,307	7,464	106,649
	<u>7,241,563</u>	<u>2,494,177</u>	<u>19,182,022</u>
TOTAL ASSETS	<u>\$ 7,241,563</u>	<u>\$ 2,494,177</u>	<u>\$ 19,182,022</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 494,171	\$ 103,914	\$ 102,941
Settlements pending			1,079,277
Total Liabilities	<u>494,171</u>	<u>103,914</u>	<u>1,182,218</u>
Fund Balances:			
Restricted		2,390,263	17,886,933
Committed			85,983
Assigned	1,759,735		26,888
Unassigned	4,987,657		
Total Fund Balances	<u>6,747,392</u>	<u>2,390,263</u>	<u>17,999,804</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,241,563</u>	<u>\$ 2,494,177</u>	<u>\$ 19,182,022</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, 2020

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,240,660	\$ 2,912,086	\$ 111,985
Federal aid	1,530,969	79,168	246,684
Property taxes	4,971,205	1,791,061	767,542
Sales taxes	2,807,954		2,731,857
Fines, forfeitures, and costs	1,212,861		370,645
Interest	31,027	14,646	64,551
Officers' fees	123,696		443,163
Recycling fees			147,826
School district contributions			703,034
911 fees			1,987,007
Jail fees	1,082,019		238,879
Sanitation fees	1,531,806		
Franchise fees	17,462		
Casino gaming tax	444,530		
Insurance proceeds	39,733		
Treasurer's commission	268,698		61,919
Collector's commission	1,048,527		96,775
Taxes apportioned - Assessor's salary and expense	668,133		
Other	836,055	259,626	33,731
TOTAL REVENUES	17,855,335	5,056,587	8,005,598
Less: Treasurer's commission	103,440	36,175	44,898
NET REVENUES	17,751,895	5,020,412	7,960,700
EXPENDITURES			
Current:			
General government	4,875,214		1,568,970
Law enforcement	7,336,280		3,766,022
Highways and streets	38,933	3,606,825	
Public safety	576,192		1,730,912
Sanitation	1,545,648		265,437
Health	17,749		1,191,666
Recreation and culture	17,750		1,289,198
Social services	78,717		737,618
Total Current	14,486,483	3,606,825	10,549,823
Debt Service:			
Bond principal	32,877		90,000
Bond interest and other charges	87,123		29,450
Lease principal		193,337	
Lease interest		44,192	
Note principal	184,633	23,122	
Note interest	20,491	5,999	
TOTAL EXPENDITURES	14,811,607	3,873,475	10,669,273

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,940,288	\$ 1,146,937	\$ (2,708,573)
OTHER FINANCING SOURCES (USES)			
Transfers in			44,268
Transfers out	(44,268)		
Capital lease proceeds			12,950,000
Donation from Simmons Bank-County Facilities Project			1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(44,268)</u>		<u>13,994,268</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,896,020	1,146,937	11,285,695
FUND BALANCES - JANUARY 1	<u>3,851,372</u>	<u>1,243,326</u>	<u>6,714,109</u>
FUND BALANCES - DECEMBER 31	<u>\$ 6,747,392</u>	<u>\$ 2,390,263</u>	<u>\$ 17,999,804</u>

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

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,162,425	\$ 1,240,660	\$ 78,235	\$ 2,565,000	\$ 2,912,086	\$ 347,086
Federal aid	124,000	1,530,969	1,406,969		79,168	79,168
Property taxes	4,100,925	4,971,205	870,280	1,579,300	1,791,061	211,761
Sales taxes	2,350,000	2,807,954	457,954			
Fines, forfeitures, and costs	889,640	1,212,861	323,221			
Interest	10,050	31,027	20,977	7,500	14,646	7,146
Officers' fees	130,750	123,696	(7,054)			
Jail fees	1,678,750	1,082,019	(596,731)			
Sanitation fees	1,380,400	1,531,806	151,406			
Franchise fees	20,000	17,462	(2,538)			
Casino gaming tax		444,530	444,530			
Insurance proceeds		39,733	39,733			
Treasurer's commission	176,237	268,698	92,461			
Collector's commission	1,000,000	1,048,527	48,527			
Taxes apportioned - Assessor's salary and expense	650,000	668,133	18,133			
Other	651,976	836,055	184,079	52,500	259,626	207,126
TOTAL REVENUES	14,325,153	17,855,335	3,530,182	4,204,300	5,056,587	852,287
Less: Treasurer's commission		103,440	(103,440)		36,175	(36,175)
NET REVENUES	14,325,153	17,751,895	3,426,742	4,204,300	5,020,412	816,112
EXPENDITURES						
Current:						
General government	5,563,948	4,875,214	688,734			
Law enforcement	11,361,654	7,336,280	4,025,374			
Highways and streets		38,933	(38,933)	4,565,733	3,606,825	958,908
Public safety	405,224	576,192	(170,968)			
Sanitation	1,824,630	1,545,648	278,982			
Health	32,246	17,749	14,497			
Recreation and culture	23,832	17,750	6,082			
Social services	101,757	78,717	23,040			
Total Current	19,313,291	14,486,483	4,826,808	4,565,733	3,606,825	958,908
Debt Service:						
Bond principal		32,877	(32,877)			
Bond interest and other charges		87,123	(87,123)			
Lease principal					193,337	(193,337)
Lease interest					44,192	(44,192)
Note principal		184,633	(184,633)		23,122	(23,122)
Note interest		20,491	(20,491)		5,999	(5,999)
TOTAL EXPENDITURES	19,313,291	14,811,607	4,501,684	4,565,733	3,873,475	692,258

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, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,988,138)	\$ 2,940,288	\$ 7,928,426	\$ (361,433)	\$ 1,146,937	\$ 1,508,370
OTHER FINANCING SOURCES (USES)						
Transfers in	2,593,200		(2,593,200)			
Transfers out	(259,406)	(44,268)	215,138			
TOTAL OTHER FINANCING SOURCES (USES)	2,333,794	(44,268)	(2,378,062)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,654,344)	2,896,020	5,550,364	(361,433)	1,146,937	1,508,370
FUND BALANCES - JANUARY 1	1,426,582	3,851,372	2,424,790	1,309,285	1,243,326	(65,959)
FUND BALANCES - DECEMBER 31	<u>\$ (1,227,762)</u>	<u>\$ 6,747,392</u>	<u>\$ 7,975,154</u>	<u>\$ 947,852</u>	<u>\$ 2,390,263</u>	<u>\$ 1,442,411</u>

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

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 and savings accounts, and certificates of deposit.

Settlements Pending

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

Fund Balance Classifications

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

E. Property Taxes

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

JEFFERSON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

State law requires that the Quorum Court, before the end of each fiscal year, make appropriations, by ordinance, for the expenditures of County government for the following year. The Quorum Court may make appropriation amendments at any time during the current fiscal year. Appropriations lapse at the end of each year. Under certain conditions, the budget may be amended subsequent to the year-end.

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

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)	\$ 5,172,278	\$ 5,679,483
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	12,524,963	15,696,869
Uncollateralized	10,600,930	10,594,303
Total Deposits	\$ 28,298,171	\$ 31,970,655

The above total deposits do not include cash on hand of \$7,171.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2020, \$10,594,303 of the County's bank balances of \$31,970,655 was exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of U.S. Government Obligations.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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: Accounts Receivable

The accounts receivable balance at December 31, 2020, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fines, forfeitures, and costs	\$ 45,182		\$ 21,193
Officers' fees	11,809		30,896
Recycling fees			1,769
911 fees			27,432
Jail fees	40,949		20,244
Sanitation fees	244,142		
Franchise fees	2,505		
Casino gaming tax	72,672		
Insurance proceeds	4,553		
Other	76,495	\$ 7,464	5,115
Totals	<u>\$ 498,307</u>	<u>\$ 7,464</u>	<u>\$ 106,649</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2020, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 494,171</u>	<u>\$ 103,914</u>	<u>\$ 102,941</u>

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2020, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 863,204
Law enforcement			4,225,961
Highways and streets		\$ 2,390,263	
Public safety			884,576
Sanitation			3,739
Recreation and culture			1,296,774
Capital outlay			9,710,917
Debt service			901,762
Total Restricted		<u>2,390,263</u>	<u>17,886,933</u>
Committed for:			
Public safety			60,010
Sanitation			25,973
Total Committed			<u>85,983</u>
Assigned to:			
General government	\$ 114,108		
Law enforcement	1,340,565		
Sanitation	305,062		26,888
Total Assigned	<u>1,759,735</u>		<u>26,888</u>
Unassigned	<u>4,987,657</u>		
Totals	<u>\$ 6,747,392</u>	<u>\$ 2,390,263</u>	<u>\$ 17,999,804</u>

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2020, the legal debt limit for bonded debt was \$77,256,193. There were no property tax secured bond issues subject to the constitutional limitation. As discussed in Note 10, 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, 2020, the legal debt limit for short-term financing obligations was \$23,711,024. The amount of short-term financing obligations was \$14,840,533, leaving a legal debt margin of \$8,870,491.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2020:

	December 31, 2020
Long-term liabilities	\$ 18,576,567
Noncancellable leases	209,020
Total Commitments	\$ 18,785,587

Long-term Liabilities

Long-term liabilities at December 31, 2020, are comprised of the following:

	December 31, 2020
<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.	\$ 865,000
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.	2,152,591
Total Bonds	3,017,591
<u>Direct Borrowings</u>	
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.	32,917
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.	37,455
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.	539,635
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.	62,352

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8: Commitments (Continued)

Long-term Liabilities (Continued)

	December 31, 2020
<u>Direct Borrowings (Continued)</u>	
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, which is included in the General Fund.	\$ 348,903
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.	154,944
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.	68,126
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.	47,461
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.	80,033
Lease-purchase agreement dated March 13, 2018, with BancorpSouth Equipment Finance in the amount of \$194,000 for (2) 2019 Mack Pinnacle 64T Trucks; 36 monthly payments of \$2,110 through April 18, 2023; Interest 3.49%. Payments are to be made from the Road Fund.	179,921
Lease-purchase agreement dated July 28, 2020 with FBT Bank in the amount of \$255,416 for (2) New Holland Tractors; 5 annual payments of \$57,295 beginning July 28, 2021 through July 2025. Interest 3.95%. Payments are to be made from the Road Fund.	255,416
Lease-purchase agreement dated February 25, 2020 with FBT Bank in the amount of \$41,685 for a Hilbilt Hi Dump Trailer; 5 annual payments of \$9,451 beginning January 15, 2021 through January 2025. Interest 4.5%. Payments are to be made from the Road Fund.	41,685
Lease-purchase agreement dated February 25, 2020 with FBT Bank in the amount of \$41,685 for a Hilbilt Hi Dump Trailer; 5 annual payments of \$9,451 beginning January 15, 2021 through January 2025. Interest 4.5%. Payments are to be made from the Road Fund.	41,685
Lease-purchase agreement with the Jefferson County Buildings, LLC, dated September 1, 2020, for \$12,950,000 for the development of office and clinic facilities for the Jefferson County Health Unit, center for veteran's affairs and offices for the Jefferson County Corner. The terms of payments are annual installments of \$150,000 - \$910,000 due September 1, 2022 through September 1, 2051 with interest at 2.25% - 2.6% due semiannually thereafter on March 1 and September 1 of each year. Payments are to be made from the Debt Service Fund.	<u>12,950,000</u>
Total Direct Borrowings	<u>14,840,533</u>

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8: Commitments (Continued)

Long-term Liabilities (Continued)

	<u>December 31,</u> <u>2020</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	<u>\$ 718,443</u>
Total Long-term liabilities	<u>\$ 18,576,567</u>

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 \$865,000 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 \$ 2,152,591 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 \$14,840,533 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.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8: Commitments (Continued)

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2020	Maturities to December 31, 2020
<u>Bonds</u>					
12/11/17	2/1/33	3.00%	\$ 1,120,000	\$ 865,000	\$ 255,000
9/25/18	4/1/38	3.98%	2,308,008	2,152,591	155,417
Total Bonds			3,428,008	3,017,591	410,417
<u>Direct Borrowings</u>					
6/28/18	6/28/23	4.95%	62,000	32,917	29,083
7/6/18	7/6/23	5.01%	68,406	37,455	30,951
3/14/18	4/14/23	3.14%	760,000	539,635	220,365
7/18/18	7/18/23	5.01%	113,875	62,352	51,523
12/15/17	12/15/22	3.50%	850,000	348,903	501,097
4/18/19	4/18/24	4.96%	189,200	154,944	34,256
7/3/19	7/3/24	4.37%	83,400	68,126	15,274
2/7/19	4/15/23	4.20%	62,000	47,461	14,539
2/7/19	4/15/23	4.20%	103,155	80,033	23,122
3/13/18	4/18/23	3.49%	194,000	179,921	14,079
7/28/20	7/28/25	3.95%	255,416	255,416	0
2/25/20	1/15/25	4.50%	41,685	41,685	0
2/25/20	1/15/25	4.50%	41,685	41,685	0
9/1/22	9/1/51	2.25-2.6%	12,950,000	12,950,000	0
Total Direct Borrowings			15,774,822	14,840,533	934,289
Total Long-Term Debt			\$ 19,202,830	\$ 17,858,124	\$ 1,344,706

Changes in Long-Term Debt

	Balance January 01, 2020	Issued	Retired	Balance December 31, 2020
Bonds payable	\$ 3,140,468		\$ 122,877	\$ 3,017,591
<u>Direct Borrowings</u>				
Notes payable	684,153		207,755	476,398
Capital leases	1,268,686 *	\$ 13,288,786	193,337	14,364,135
Total Direct Borrowings	1,952,839	13,288,786	401,092	14,840,533
Total Long-Term Debt	\$ 5,093,307	\$ 13,288,786	\$ 523,969	\$ 17,858,124

* January 1, 2020 balance was restated for a lease purchase agreement dated March 13, 2018 in the amount of \$194,000.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2020:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 102,633	\$ 110,723	\$ 213,356	\$ 940,102	\$ 351,815	\$ 1,291,917
2022	111,024	107,226	218,250	556,845	356,228	913,073
2023	123,054	103,321	226,375	645,338	333,637	978,975
2024	123,365	99,060	222,425	440,044	346,611	786,655
2025	137,688	94,712	232,400	393,204	304,596	697,800
2026 through 2030	846,482	394,268	1,240,750	1,705,000	1,396,975	3,101,975
2031 through 2035	1,006,476	229,299	1,235,775	1,910,000	1,190,560	3,100,560
2036 through 2040	566,869	51,904	618,773	2,150,000	950,200	3,100,200
2041 through 2045				2,430,000	669,890	3,099,890
2046 through 2050				2,760,000	337,090	3,097,090
2051				910,000	23,660	933,660
Totals	<u>\$ 3,017,591</u>	<u>\$ 1,190,513</u>	<u>\$ 4,208,104</u>	<u>\$ 14,840,533</u>	<u>\$ 6,261,262</u>	<u>\$ 21,101,795</u>

Noncancellable Leases

The County entered into a noncancellable lease agreement for a motor grader on February 13, 2020. Terms of the lease are semi-annual rental payments of \$11,612 for 5 years. At the end of the lease term, the County will return the road grader.

The County entered into a noncancellable lease agreement for a motor grader on February 13, 2020. Terms of the lease are semi-annual rental payments of \$11,612 for 5 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 five years:

Year	December 31, 2020
2021	\$ 46,449
2022	46,449
2023	46,449
2024	46,449
2025	23,224
Total	<u>\$ 209,020</u>

Rental expense for 2020 was \$61,396.

NOTE 9: Interfund Transfers

The County made transfers from the General Fund to the Other Funds in the Aggregate (Recycling and Insurance Reimbursement) in the amount of \$44,268 to supplement operations.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10: Pledged Revenues

A. Property Tax

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 \$865,000 and \$167,025, respectively, payable through February 1, 2033. For 2020, principal and interest paid were \$90,000 and \$27,500, respectively.

The Debt Service Fund received \$115,256 in property taxes in 2020. The proceeds of the tax levy cannot be used for any purpose other than payment of debt service on the bonds.

B. Jail Fees and Officers' Fees

The County pledged future jail fees and officers' fees to repay a \$12,950,000 for a Lease Purchase Agreement that was executed in 2020 for the development of a health unit, veteran's affairs office and coroner's office. The total principal and interest remaining on the lease-purchase are \$12,950,000 and \$6,105,944, respectively, payable through September 2051. For 2020, no principal and interest was paid.

The General Fund received \$1,082,019 and \$123,696 in jail fees and officers' fees in 2020, respectively.

NOTE 11: 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 \$599,842 in 2020. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

NOTE 12: 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, 2020 to June 30, 2021, 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 2020 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, 2020

NOTE 13: 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.

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 by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. 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 (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. 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 or \$500,000 per case with an annual aggregate of \$350,000 or \$500,000 or \$750,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board.

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.

NOTE 14: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2020 were \$1,565,532.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 14: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are 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, 2020 (actuarial valuation date and measurement date) was \$14,997,440.

NOTE 15: 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 16: 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 17: Hospital Lease Agreement

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

NOTE 18: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). On December 4, 2020, the County Received \$1,374,029 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$12,979,779 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$6,489,890 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain, however the County is expecting to receive additional federal aid for coronavirus relief.

NOTE 19: Donation from Simmons Bank – County Facilities Project

The County received a \$1,000,000 equity contribution to be deposited in the debt service fund as required by the terms of the lease-purchase agreement dated September 1, 2020 for the development of the offices and clinic facilities for the Jefferson County Health Unit, center of veteran's affairs and offices of the Jefferson County Corner.

NOTE 20: Federal Funds Program Compliance

The federal grants of the County have not yet been audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. As of the report date, however, the County has contracted for an audit of these funds for 2020. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2020

Schedule 1

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	Recorder's Cost	County Library	Child Support Cost	Jail Operation (Detention M & O, Detention Reserve and Jail Operations)
ASSETS									
Cash and cash equivalents	\$ 107,954	\$ 290,457	\$ 3,099	\$ 66,759	\$ 14,638	\$ 331,118	\$ 1,293,857	\$ 5,712	\$ 2,848,397
Accounts receivable			886		866	28,139		32	10,527
TOTAL ASSETS	\$ 107,954	\$ 290,457	\$ 3,985	\$ 66,759	\$ 15,504	\$ 359,257	\$ 1,293,857	\$ 5,744	\$ 2,858,924
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 158	\$ 1,617				\$ 1,558			
Settlements pending									
Total Liabilities	158	1,617				1,558			
Fund Balances:									
Restricted	107,796	288,840	\$ 3,985	\$ 66,759	\$ 15,504	357,699	\$ 1,293,857	\$ 5,744	\$ 2,858,924
Committed									
Assigned									
Total Fund Balances	107,796	288,840	3,985	66,759	15,504	357,699	1,293,857	5,744	2,858,924
TOTAL LIABILITIES AND FUND BALANCES	\$ 107,954	\$ 290,457	\$ 3,985	\$ 66,759	\$ 15,504	\$ 359,257	\$ 1,293,857	\$ 5,744	\$ 2,858,924

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
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 DECEMBER 31, 2020

Schedule 1

SPECIAL REVENUE FUNDS

	Boating Safety	Emergency 911	Emergency Vehicle	Prosecuting Attorney Victim/Witness	Indigent Criminal Defense	District Court Cost	Adult Drug Court	Juvenile Justice	Recycling
ASSETS									
Cash and cash equivalents	\$ 8,699	\$ 933,133	\$ 4,761	\$ 208,397	\$ 226,080	\$ 63,447	\$ 39,175	\$ 5,360	\$ 55,791
Accounts receivable		27,432	345	1,939	4,338	1,190	115	1,994	1,769
TOTAL ASSETS	\$ 8,699	\$ 960,565	\$ 5,106	\$ 210,336	\$ 230,418	\$ 64,637	\$ 39,290	\$ 7,354	\$ 57,560
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 75,989		\$ 28	\$ 3,481		\$ 200		\$ 4,699
Settlements pending									
Total Liabilities		75,989		28	3,481		200		4,699
Fund Balances:									
Restricted	\$ 8,699	884,576	\$ 5,106	210,308	226,937	\$ 64,637	39,090	\$ 7,354	
Committed									25,973
Assigned									26,888
Total Fund Balances	8,699	884,576	5,106	210,308	226,937	64,637	39,090	7,354	52,861
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,699	\$ 960,565	\$ 5,106	\$ 210,336	\$ 230,418	\$ 64,637	\$ 39,290	\$ 7,354	\$ 57,560

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2020

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	Insurance Reimbursement
ASSETS									
Cash and cash equivalents	\$ 3,490	\$ 582,575	\$ 60,010	\$ 3,739	\$ 9	\$ 28,461	\$ 13,847	\$ 4,643	\$ 9,670
Accounts receivable	193						5,115		
TOTAL ASSETS	<u>\$ 3,683</u>	<u>\$ 582,575</u>	<u>\$ 60,010</u>	<u>\$ 3,739</u>	<u>\$ 9</u>	<u>\$ 28,461</u>	<u>\$ 18,962</u>	<u>\$ 4,643</u>	<u>\$ 9,670</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 10,549				\$ 2,881			
Settlements pending									
Total Liabilities		<u>10,549</u>				<u>2,881</u>			
Fund Balances:									
Restricted	\$ 3,683	572,026		\$ 3,739	\$ 9	25,580	\$ 18,962	\$ 4,643	\$ 9,670
Committed			\$ 60,010						
Assigned									
Total Fund Balances	<u>3,683</u>	<u>572,026</u>	<u>60,010</u>	<u>3,739</u>	<u>9</u>	<u>25,580</u>	<u>18,962</u>	<u>4,643</u>	<u>9,670</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,683</u>	<u>\$ 582,575</u>	<u>\$ 60,010</u>	<u>\$ 3,739</u>	<u>\$ 9</u>	<u>\$ 28,461</u>	<u>\$ 18,962</u>	<u>\$ 4,643</u>	<u>\$ 9,670</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		
	Assessor's Late Assessment Fee	Tucker Community Grant	Communication Facility & Equipment	Jefferson County Construction	County Library Construction	Energy Efficiency Project Bond	County Facility Project Bond Construction	Library Tax and Special Tax Bonds, Series 2017	County Facility Project Bond Debt Service
ASSETS									
Cash and cash equivalents	\$ 7,500	\$ 2,917	\$ 159,722	\$ 540	\$ 11,983	\$ 11,209	\$ 9,687,185	\$ 138,166	\$ 763,596
Accounts receivable			21,769						
TOTAL ASSETS	<u>\$ 7,500</u>	<u>\$ 2,917</u>	<u>\$ 181,491</u>	<u>\$ 540</u>	<u>\$ 11,983</u>	<u>\$ 11,209</u>	<u>\$ 9,687,185</u>	<u>\$ 138,166</u>	<u>\$ 763,596</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 1,781						
Settlements pending									
Total Liabilities			<u>1,781</u>						
Fund Balances:									
Restricted	\$ 7,500	\$ 2,917	179,710	\$ 540	\$ 11,983	\$ 11,209	\$ 9,687,185	\$ 138,166	\$ 763,596
Committed									
Assigned									
Total Fund Balances	<u>7,500</u>	<u>2,917</u>	<u>179,710</u>	<u>540</u>	<u>11,983</u>	<u>11,209</u>	<u>9,687,185</u>	<u>138,166</u>	<u>763,596</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,500</u>	<u>\$ 2,917</u>	<u>\$ 181,491</u>	<u>\$ 540</u>	<u>\$ 11,983</u>	<u>\$ 11,209</u>	<u>\$ 9,687,185</u>	<u>\$ 138,166</u>	<u>\$ 763,596</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2020

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Court Accounts	Sanitation	Totals
ASSETS								
Cash and cash equivalents	\$ 115,210	\$ 9,186	\$ 369,995	\$ 115,764	\$ 244,221	\$ 2,235	\$ 222,666	\$ 19,075,373
Accounts receivable								106,649
TOTAL ASSETS	\$ 115,210	\$ 9,186	\$ 369,995	\$ 115,764	\$ 244,221	\$ 2,235	\$ 222,666	\$ 19,182,022
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 102,941
Settlements pending	\$ 115,210	\$ 9,186	\$ 369,995	\$ 115,764	\$ 244,221	\$ 2,235	\$ 222,666	1,079,277
Total Liabilities	115,210	9,186	369,995	115,764	244,221	2,235	222,666	1,182,218
Fund Balances:								
Restricted								17,886,933
Committed								85,983
Assigned								26,888
Total Fund Balances								17,999,804
TOTAL LIABILITIES AND FUND BALANCES	\$ 115,210	\$ 9,186	\$ 369,995	\$ 115,764	\$ 244,221	\$ 2,235	\$ 222,666	\$ 19,182,022

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, 2020

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
REVENUES								
State aid				\$ 20,618			\$ 65,940	
Federal aid								
Property taxes							648,472	
Sales taxes								
Fines, forfeitures, and costs			\$ 9,202		\$ 1,088			
Interest	\$ 831	\$ 2,686	60	709	84	\$ 2,616	11,639	
Officers' fees					11,885	396,333		\$ 273
Recycling fees								
School district contributions								
911 fees								
Jail fees								
Treasurer's commission	61,919							
Collector's commission		96,775						
Other	132					170		
TOTAL REVENUES	62,882	99,461	9,262	21,327	13,057	399,119	726,051	273
Less: Treasurer's commission	6	725	67	155	85	2,954	5,292	2
NET REVENUES	62,876	98,736	9,195	21,172	12,972	396,165	720,759	271
EXPENDITURES								
Current:								
General government	37,829	102,082		4,564	2,000	188,967		
Law enforcement			9,060					
Public safety								
Sanitation								
Health								
Recreation and culture							599,842	
Social services								
Total Current	37,829	102,082	9,060	4,564	2,000	188,967	599,842	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	37,829	102,082	9,060	4,564	2,000	188,967	599,842	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,047	(3,346)	135	16,608	10,972	207,198	120,917	271
OTHER FINANCING SOURCES (USES)								
Transfers in								
Capital lease proceeds								
Donation from Simmons Bank-County Facilities Project								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	25,047	(3,346)	135	16,608	10,972	207,198	120,917	271
FUND BALANCES - JANUARY 1	82,749	292,186	3,850	50,151	4,532	150,501	1,172,940	5,473
FUND BALANCES - DECEMBER 31	\$ 107,796	\$ 288,840	\$ 3,985	\$ 66,759	\$ 15,504	\$ 357,699	\$ 1,293,857	\$ 5,744

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, 2020

Schedule 2

SPECIAL REVENUE FUNDS

	Jail Operation (Detention M & O, Detention Reserve and Jail Operations)	Boating Safety	Emergency 911	Emergency Vehicle	Prosecuting Attorney Victim/Witness	Indigent Criminal Defense	District Court Cost	Adult Drug Court
REVENUES								
State aid		\$ 4,845				\$ 2,297		
Federal aid								
Property taxes								
Sales taxes	\$ 2,731,857							
Fines, forfeitures, and costs	127,833			\$ 15,337	\$ 72,914	56,509	\$ 63,942	\$ 2,069
Interest	23,929	61	\$ 8,092	128	1,874	2,263	303	408
Officers' fees								
Recycling fees								
School district contributions								
911 fees			1,987,007					
Jail fees								
Treasurer's commission								
Collector's commission								
Other			2,763		4			
TOTAL REVENUES	2,883,619	4,906	1,997,862	15,465	74,792	61,069	64,245	2,477
Less: Treasurer's commission	21,010		11,265	117	183	399	106	18
NET REVENUES	2,862,609	4,906	1,986,597	15,348	74,609	60,670	64,139	2,459
EXPENDITURES								
Current:								
General government								
Law enforcement	1,952,938			19,870	36,015	46,515	68,002	4,394
Public safety			1,730,912					
Sanitation								
Health								
Recreation and culture								
Social services								
Total Current	1,952,938		1,730,912	19,870	36,015	46,515	68,002	4,394
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	1,952,938		1,730,912	19,870	36,015	46,515	68,002	4,394
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	909,671	4,906	255,685	(4,522)	38,594	14,155	(3,863)	(1,935)
OTHER FINANCING SOURCES (USES)								
Transfers in								
Capital lease proceeds								
Donation from Simmons Bank-County Facilities Project								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	909,671	4,906	255,685	(4,522)	38,594	14,155	(3,863)	(1,935)
FUND BALANCES - JANUARY 1	1,949,253	3,793	628,891	9,628	171,714	212,782	68,500	41,025
FUND BALANCES - DECEMBER 31	\$ 2,858,924	\$ 8,699	\$ 884,576	\$ 5,106	\$ 210,308	\$ 226,937	\$ 64,637	\$ 39,090

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, 2020

Schedule 2

SPECIAL REVENUE FUNDS								
	Juvenile Justice	Recycling	Circuit Clerk Commissioner's Fee	Juvenile Justice Education	Reserve Fund for Rural Fire Protection	Waste Tire Facility Closure	Courthouse Security	Victims of Crime
REVENUES								
State aid								
Federal aid								\$ 199,052
Property taxes								
Sales taxes								
Fines, forfeitures, and costs	\$ 17,230							
Interest	69	\$ 327	\$ 76	\$ 4,984				
Officers' fees	14,601		1,015					
Recycling fees		147,826						
School district contributions				703,034				
911 fees								
Jail fees								
Treasurer's commission								
Collector's commission								
Other		24,070		1,397	\$ 9			
TOTAL REVENUES	31,900	172,223	1,091	709,415	9			199,052
Less: Treasurer's commission	249	1,254	6	36				
NET REVENUES	31,651	170,969	1,085	709,379	9			199,052
EXPENDITURES								
Current:								
General government			4,774	1,739				
Law enforcement	40,874			545,096				243,712
Public safety								
Sanitation		265,437						
Health								
Recreation and culture								
Social services								
Total Current	40,874	265,437	4,774	546,835				243,712
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	40,874	265,437	4,774	546,835				243,712
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,223)	(94,468)	(3,689)	162,544	9			(44,660)
OTHER FINANCING SOURCES (USES)								
Transfers in		35,000						
Capital lease proceeds								
Donation from Simmons Bank-County Facilities Project								
TOTAL OTHER FINANCING SOURCES (USES)		35,000						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,223)	(59,468)	(3,689)	162,544	9			(44,660)
FUND BALANCES - JANUARY 1	16,577	112,329	7,372	409,482	60,001	\$ 3,739	\$ 9	70,240
FUND BALANCES - DECEMBER 31	\$ 7,354	\$ 52,861	\$ 3,683	\$ 572,026	\$ 60,010	\$ 3,739	\$ 9	\$ 25,580

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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS							
	Justice Equitable Sharing Program	Drug Court Accountability Grant	Insurance Reimbursement	Assessor's Late Assessment Fee	Treasury Equitable Sharing Grant	Tucker Community Grant	Coronavirus Emergency Supplementary Funding (CESF)	Communication Facility & Equipment
REVENUES								
State aid		\$ 6,510						
Federal aid							\$ 47,632	
Property taxes				\$ 3,814				
Sales taxes								
Fines, forfeitures, and costs	\$ 4,521							
Interest								\$ 224
Officers' fees								19,056
Recycling fees								
School district contributions								
911 fees								
Jail fees								238,879
Treasurer's commission								
Collector's commission								
Other	5,115							71
TOTAL REVENUES	9,636	6,510		3,814			47,632	258,230
Less: Treasurer's commission				28				
NET REVENUES	9,636	6,510		3,786			47,632	258,230
EXPENDITURES								
Current:								
General government				985				
Law enforcement	4,392	2,023			\$ 2,249		47,632	169,287
Public safety								
Sanitation								
Health								
Recreation and culture						\$ 42,076		
Social services								
Total Current	4,392	2,023		985	2,249	42,076	47,632	169,287
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	4,392	2,023		985	2,249	42,076	47,632	169,287
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,244	4,487		2,801	(2,249)	(42,076)		88,943
OTHER FINANCING SOURCES (USES)								
Transfers in			\$ 9,268					
Capital lease proceeds								
Donation from Simmons Bank-County Facilities Project								
TOTAL OTHER FINANCING SOURCES (USES)			9,268					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,244	4,487	9,268	2,801	(2,249)	(42,076)		88,943
FUND BALANCES - JANUARY 1	13,718	156	402	4,699	2,249	44,993		90,767
FUND BALANCES - DECEMBER 31	\$ 18,962	\$ 4,643	\$ 9,670	\$ 7,500	\$ 0	\$ 2,917	\$ 0	\$ 179,710

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, 2020

Schedule 2

	CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS		Totals
	Jefferson County Construction	County Library Construction	Energy Efficiency Project Bond	County Facility Project Bond Construction	Library Tax and Special Tax Bonds, Series 2017	County Facility Project Bond Debt Service	
REVENUES							
State aid					\$ 11,775		\$ 11,985
Federal aid							246,684
Property taxes					115,256		767,542
Sales taxes							2,731,857
Fines, forfeitures, and costs							370,645
Interest	\$ 6	\$ 2,416	\$ 398	\$ 194	161	\$ 13	64,551
Officers' fees							443,163
Recycling fees							147,826
School district contributions							703,034
911 fees							1,987,007
Jail fees							238,879
Treasurer's commission							61,919
Collector's commission							96,775
Other							33,731
TOTAL REVENUES	6	2,416	398	194	127,192	13	8,005,598
Less: Treasurer's commission					941		44,898
NET REVENUES	6	2,416	398	194	126,251	13	7,960,700
EXPENDITURES							
Current:							
General government			229,851	536,116		460,063	1,568,970
Law enforcement				573,963			3,766,022
Public safety							1,730,912
Sanitation							265,437
Health				1,191,666			1,191,666
Recreation and culture		647,280					1,289,198
Social services				737,618			737,618
Total Current		647,280	229,851	3,039,363			10,549,823
Debt Service:							
Bond principal					90,000		90,000
Bond interest and other charges					29,450		29,450
TOTAL EXPENDITURES		647,280	229,851	3,039,363	119,450	460,063	10,669,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6	(644,864)	(229,453)	(3,039,169)	6,801	(460,050)	(2,708,573)
OTHER FINANCING SOURCES (USES)							
Transfers in							44,268
Capital lease proceeds				11,726,354		1,223,646	12,950,000
Donation from Simmons Bank-County Facilities Project				1,000,000			1,000,000
TOTAL OTHER FINANCING SOURCES (USES)				12,726,354		1,223,646	13,994,268
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6	(644,864)	(229,453)	9,687,185	6,801	763,596	11,285,695
FUND BALANCES - JANUARY 1	534	656,847	240,662		131,365		6,714,109
FUND BALANCES - DECEMBER 31	\$ 540	\$ 11,983	\$ 11,209	\$ 9,687,185	\$ 138,166	\$ 763,596	\$ 17,999,804

JEFFERSON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2020

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, 2020

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, 2020

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.
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.
Coronavirus Emergency Supplementary Funding (CESF)	The Coronavirus Emergency Supplemental Funding (CESF) Program allows eligible state, local units of government, and tribes to support a broad range of activities including preventing, preparing for, and responding to the coronavirus. Categorical exclusions contained in paragraph 4 (b) of Appendix D to Part 61 of Title 28 of the Code of Federal Regulations.
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, 2020

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.
County Facility Project Bond Construction	Jefferson County Ordinance 2020-72 established fund to receive and disburse lease purchase proceeds for the construction of the Jefferson County Project including a new Veterans office, Health Department, and Coroners office.
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.
County Facility Project Bond Debt Service	Jefferson County Ordinance 2020 -72 established fund to account for the accumulation of resources to retire the lease purchase agreement for the Jefferson County Facility Project 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.

Juvenile Court accounts consist primarily of fines and costs not yet distributed to the county and/or plaintiff.

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

JEFFERSON COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2020
(Unaudited)

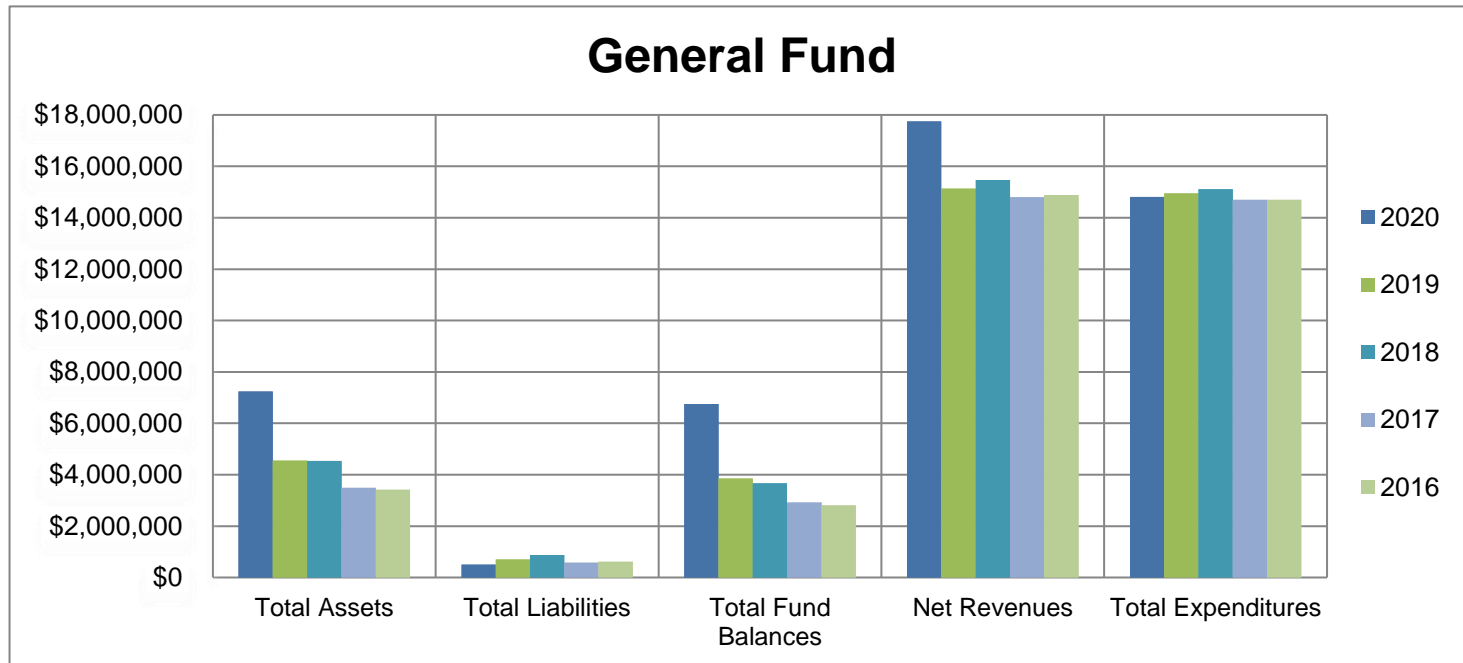
Schedule 3

	<u>December 31, 2020</u>
Buildings	\$ 52,340,037
Equipment	<u>13,090,759</u>
Total	<u><u>\$ 65,430,796</u></u>

JEFFERSON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2020
 (Unaudited)

Schedule 4-1

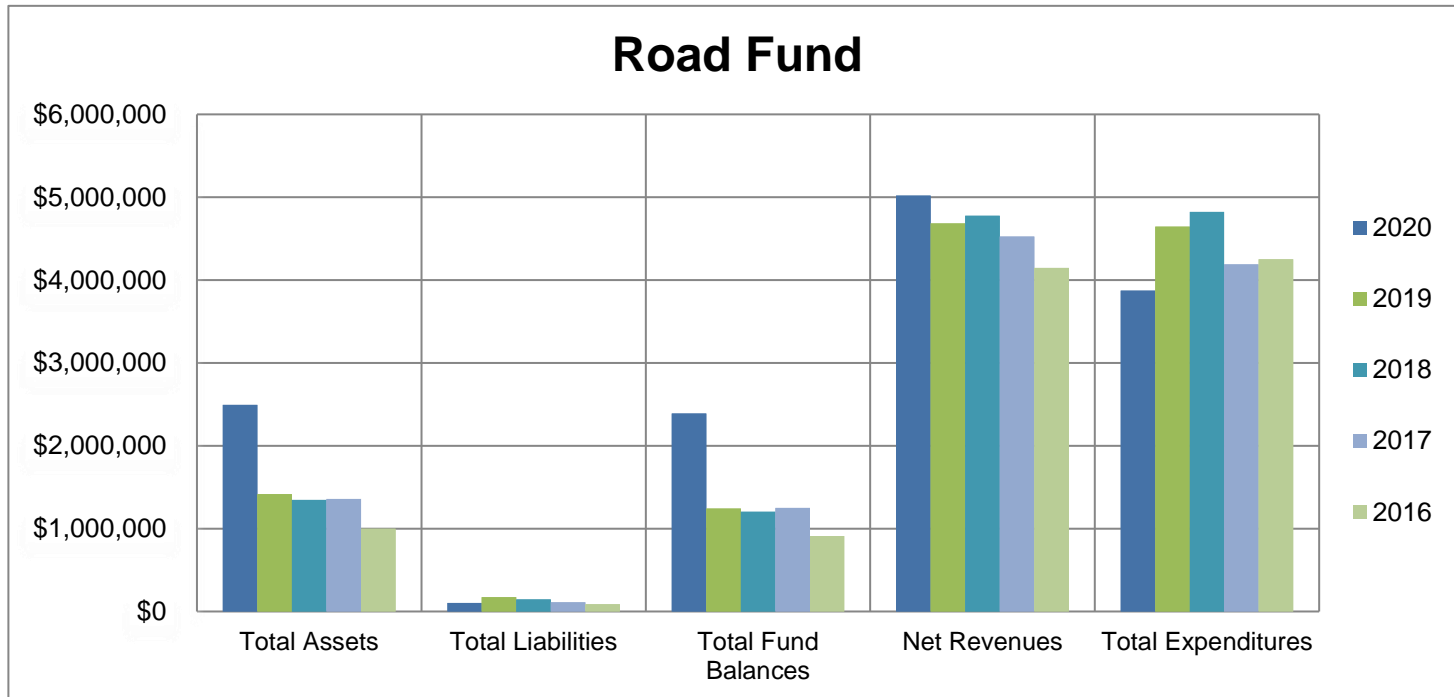
<u>General</u>	2020	2019	2018	2017	2016
Total Assets	\$ 7,241,563	\$ 4,546,867	\$ 4,536,375	\$ 3,490,779	\$ 3,417,810
Total Liabilities	494,171	695,495	876,632	579,083	609,769
Total Fund Balances	6,747,392	3,851,372	3,659,743	2,911,696	2,808,041
Net Revenues	17,751,895	15,136,820	15,466,880	14,794,360	14,888,678
Total Expenditures	14,811,607	14,945,191	15,102,801	14,690,705	14,697,477
Total Other Financing Sources/Uses	(44,268)		383,968		(51,273)



JEFFERSON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2020
 (Unaudited)

Schedule 4-2

<u>Road</u>	2020	2019	2018	2017	2016
Total Assets	\$ 2,494,177	\$ 1,416,142	\$ 1,347,484	\$ 1,357,281	\$ 997,379
Total Liabilities	103,914	172,816	145,044	109,059	86,013
Total Fund Balances	2,390,263	1,243,326	1,202,440	1,248,222	911,366
Net Revenues	5,020,412	4,684,551	4,776,729	4,524,348	4,148,045
Total Expenditures	3,873,475	4,643,665	4,822,510	4,187,492	4,252,680
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, 2020
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 19,182,022	\$ 7,858,536	\$ 10,699,204	\$ 7,605,295	\$ 5,733,141
Total Liabilities	1,182,218	1,144,427	1,964,275	1,874,805	992,747
Total Fund Balances	17,999,804	6,714,109	8,734,929	5,730,490	4,740,394
Net Revenues	7,960,700	6,980,640	9,253,371	10,377,997	10,199,067
Total Expenditures	10,669,273	9,001,460	8,266,989	6,685,264	6,777,322
Total Other Financing Sources/Uses	13,994,268		2,018,057	(2,702,637)	(3,533,549)

