

**Jefferson County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2012**

LEGISLATIVE JOINT AUDITING COMMITTEE

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Rep. Kim Hammer  
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Senate Vice Chair  
Rep. John W. Walker  
House Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### 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, 2012 as listed in the table of contents, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

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

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

The 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 Generally Accepted Accounting Principles paragraphs, 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, 2012, or the revenues, expenditures, and changes in net position and when applicable, cash flows, thereof for the year then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

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

***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion on Regulatory Basis of Accounting paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of December 31, 2012, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

***Supplementary and Other Information***

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
March 20, 2014  
LOCO03512

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

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS, AND OTHER ISSUES BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

#### INDEPENDENT AUDITOR'S REPORT

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

We have audited 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, 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, 2012, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2014. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were qualified because required disclosures were not made concerning deposit and investment risks.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2012-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

The County officials, as specified in the Other Issues section of this report, responded and indicated that their offices will segregate the duties relating to initiating, receipting, depositing, disbursing, and recording transactions to the extent possible with the current staffing levels.

Compliance and Other Matters

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

Entity's Response to Findings

The County's response to the findings identified in our audit is described above. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Other Issues

The commentary contained in this section relates to the following officials that held office during 2012:

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

Our audit procedures indicated that the offices above were in substantial compliance with Arkansas fiscal and financial laws.

Purpose of this Report

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

DIVISION OF LEGISLATIVE AUDIT



June M. Barron, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
March 20, 2014

JEFFERSON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2012

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,327,346	\$ 295,542	\$ 3,303,039
Investments	1,193,412	271,876	2,064,098
Accounts receivable	<u>629,181</u>	<u>136,219</u>	<u>737,543</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,149,939</u></b>	<b><u>\$ 703,637</u></b>	<b><u>\$ 6,104,680</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 115,673	\$ 119,176	\$ 101,376
Settlements pending			<u>1,227,388</u>
Total Liabilities	<u>115,673</u>	<u>119,176</u>	<u>1,328,764</u>
Fund Balances:			
Restricted	28,471	540,303	4,378,836
Assigned	1,346,600	44,158	397,080
Unassigned	<u>1,659,195</u>		
Total Fund Balances	<u>3,034,266</u>	<u>584,461</u>	<u>4,775,916</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 3,149,939</u></b>	<b><u>\$ 703,637</u></b>	<b><u>\$ 6,104,680</u></b>

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

JEFFERSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 816,092	\$ 1,680,494	\$ 936,370
Federal aid	463,472	452	26,943
Property taxes	3,968,076	1,682,057	522,193
Sales taxes	2,336,532		5,702,344
Fines, forfeitures, and costs	1,139,889		489,981
Interest	40,200	6,385	69,854
Officers' fees	471,512		157,480
Franchise fees	19,765		
Jail fees	1,256,898		
Sanitation fees	1,391,795		
School District contributions			552,628
Recycling fees			59,467
911 fees			694,915
Treasurer's commission	146,685		52,376
Collector's commission	948,996		81,518
Taxes apportioned - Assessor's salary and expense	765,675		
Other	836,440	19,986	62,213
	<u>14,602,027</u>	<u>3,389,374</u>	<u>9,408,282</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>97,475</u>	<u>27,300</u>	<u>34,331</u>
NET REVENUES	<u>14,504,552</u>	<u>3,362,074</u>	<u>9,373,951</u>
EXPENDITURES			
Current:			
General government	4,198,389		604,705
Law enforcement	12,167,151		1,015,249
Highways and streets		3,534,924	
Public safety	824,683		920,071
Sanitation	1,180,018		298,865
Health	98,341		
Recreation and culture	69,650		555,402
Social services	18,138		
Total Current	<u>18,556,370</u>	<u>3,534,924</u>	<u>3,394,292</u>
Debt Service:			
Lease principal	32,269	94,520	
Lease interest	1,753	16,472	
Note principal		61,501	38,489
Note interest		5,010	2,796
	<u>18,590,392</u>	<u>3,712,427</u>	<u>3,435,577</u>
TOTAL EXPENDITURES			



JEFFERSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (4,085,840)</u>	<u>\$ (350,353)</u>	<u>\$ 5,938,374</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,450,928	144,158	1,727,000
Transfers out	(319,158)		(5,002,928)
Sales tax remitted to Economic Development Corporation			(3,420,122)
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,131,770</u>	<u>144,158</u>	<u>(6,696,050)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(954,070)</u>	<u>(206,195)</u>	<u>(757,676)</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	3,983,789	790,656	5,224,341
Restatement adjustment	<u>4,547</u>		<u>309,251</u>
FUND BALANCES - JANUARY 1, AS RESTATED	<u>3,988,336</u>	<u>790,656</u>	<u>5,533,592</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,034,266</u></u>	<u><u>\$ 584,461</u></u>	<u><u>\$ 4,775,916</u></u>

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

JEFFERSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 693,200	\$ 816,092	\$ 122,892	\$ 1,915,670	\$ 1,680,494	\$ (235,176)
Federal aid	8,400	463,472	455,072		452	452
Property taxes	3,822,600	3,968,076	145,476	1,405,350	1,682,057	276,707
Sales taxes	2,280,000	2,336,532	56,532			
Fines, forfeitures, and costs	1,138,050	1,139,889	1,839			
Interest	45,100	40,200	(4,900)	8,700	6,385	(2,315)
Officers' fees	460,300	471,512	11,212			
Franchise fees	6,800	19,765	12,965			
Jail fees	1,383,101	1,256,898	(126,203)			
Sanitation fees	1,300,000	1,391,795	91,795			
Treasurer's commission	153,000	146,685	(6,315)			
Collector's commission	690,000	948,996	258,996			
Taxes apportioned - Assessor's salary and expense	620,000	765,675	145,675			
Other	1,546,698	836,440	(710,258)	384,000	19,986	(364,014)
<b>TOTAL REVENUES</b>	<b>14,147,249</b>	<b>14,602,027</b>	<b>454,778</b>	<b>3,713,720</b>	<b>3,389,374</b>	<b>(324,346)</b>
Less: Treasurer's commission		97,475	(97,475)		27,300	(27,300)
<b>NET REVENUES</b>	<b>14,147,249</b>	<b>14,504,552</b>	<b>357,303</b>	<b>3,713,720</b>	<b>3,362,074</b>	<b>(351,646)</b>
EXPENDITURES						
Current:						
General government	4,624,002	4,198,389	425,613			
Law enforcement	13,808,775	12,167,151	1,641,624			
Highways and streets				3,882,331	3,534,924	347,407
Public safety	471,806	824,683	(352,877)			
Sanitation	1,510,485	1,180,018	330,467			
Health	110,414	98,341	12,073			
Recreation and culture	69,650	69,650				
Social services	107,457	18,138	89,319			
Total Current	20,702,589	18,556,370	2,146,219	3,882,331	3,534,924	347,407
Debt Service:						
Lease principal		32,269	(32,269)		94,520	(94,520)
Lease interest		1,753	(1,753)		16,472	(16,472)
Note principal					61,501	(61,501)
Note interest					5,010	(5,010)
<b>TOTAL EXPENDITURES</b>	<b>20,702,589</b>	<b>18,590,392</b>	<b>2,112,197</b>	<b>3,882,331</b>	<b>3,712,427</b>	<b>169,904</b>

JEFFERSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (6,555,340)	\$ (4,085,840)	\$ 2,469,500	\$ (168,611)	\$ (350,353)	\$ (181,742)
OTHER FINANCING SOURCES (USES)						
Transfers in	3,722,507	3,450,928	(271,579)	190,000	144,158	(45,842)
Transfers out		(319,158)	(319,158)			
TOTAL OTHER FINANCING SOURCES (USES)	3,722,507	3,131,770	(590,737)	190,000	144,158	(45,842)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,832,833)	(954,070)	1,878,763	21,389	(206,195)	(227,584)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	3,360,196	3,983,789	623,593	650,000	790,656	140,656
Restatement adjustment		4,547	4,547			
FUND BALANCES - JANUARY 1, AS RESTATED	3,360,196	3,988,336	628,140	650,000	790,656	140,656
FUND BALANCES - DECEMBER 31	\$ 527,363	\$ 3,034,266	\$ 2,506,903	\$ 671,389	\$ 584,461	\$ (86,928)

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

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

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

**B. Basis of Presentation - Regulatory Fund Accounting**

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

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

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

**General Fund** - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: County General, Jefferson County Department of Correction Sales Proceeds, Drug Task Force, Sanitation, Adult Jail, Jefferson County 1992-A Escrow, Sales Tax, Family in Need of Service and Truancy, Environmental Enforcement Officer, Juvenile Justice, Weed and Seed, District Court, Federal Funds, and Insurance.

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

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

**Special Revenue Funds** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following Special Revenue Funds are reported with other funds in the aggregate: Assessor's Amendment no. 79, Sheriff's Radio, Juvenile Justice, Recycling, Indigent Defense, Judicial Enhancement, Prosecuting Attorney, District Court Cost, Support Collection Cost, Boating Safety, Recorder's Cost, Jail Operation, Emergency 911, Library, Tax Collector's Cost, Fire Equipment and Training (Act 833), Treasurer's Automation, Economic Development, County Clerk's Cost, Circuit Court Automation, Reappraisal, Arkansas Fish and Wildlife, Courthouse Security, Drug Court, Justice Equitable Sharing Program, Juvenile Justice Education, Local Law Enforcement Block Grant, and Victims of Crime.

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

**Agency Funds** - Agency Funds are used to account for assets held by the entity as an agent for individuals, private organizations, other governmental units, and other funds. The following Agency Funds are reported with other funds in the aggregate: Treasurer's Accounts – Administration of Justice, Property Tax Relief, Tax Protest, Law Library, and Improvement Districts; Collector's Account – Current Tax; Sheriff's Accounts – Bond and Fines and Commissary; County Clerk's Accounts – Fees, Payroll, and Trust; Circuit Clerk's Accounts – Fees and Trust; Juvenile Court Accounts – Juvenile Court and Justice Center; and Sanitation Account – Sanitation Department.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

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

**C. Basis of Accounting**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at cost.

Settlements Pending

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

Fund Balance Classifications

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

**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, 2012

**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 Special Revenue Funds.

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

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

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

There were no committed fund balances at December 31, 2012.

**NOTE 2: Cash and Investments**

Deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

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

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	December 31, 2012	
	Reported Amount	Fair Value
General	\$ 1,193,412	\$ 1,190,095
Road	271,876	271,120
Other Funds in the Aggregate	2,064,098	2,058,361
Totals	<u>\$ 3,529,386</u>	<u>\$ 3,519,576</u>

These investments are composed of the following:

	December 31, 2012	
	Reported Amount	Fair Value
Treasury Notes and Mortgage-backed securities	<u>\$ 3,529,386</u>	<u>\$ 3,519,576</u>

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2012 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 66,556	\$ 132,546	\$ 100,563
Federal aid		214	
Officer's fees	31,826		15,340
Sales taxes	188,522		458,744
Fines, forfeitures, and costs	71,688		18,918
Sanitation fees	105,787		
911 fees			143,978
Jail fees	140,135		
Other	24,667	3,459	
Totals	<u>\$ 629,181</u>	<u>\$ 136,219</u>	<u>\$ 737,543</u>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2012 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 115,673</u>	<u>\$ 119,176</u>	<u>\$ 101,376</u>

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**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, 2012, the legal debt limit for bonded debt was \$69,958,649. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2012, the legal debt limit for short-term financing obligations was \$21,015,218. The amount of short-term financing obligations was \$ 292,378 leaving a legal debt margin of \$20,722,840

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

Fund balance classifications at December 31, 2012 are composed of the following:

Description	General	Road	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 539,280
Law enforcement	\$ 28,471		1,365,259
Highways and streets		\$ 540,303	
Public safety			628,196
Recreation and culture			649,262
Capital outlay			1,196,839
Total Restricted	<u>28,471</u>	<u>540,303</u>	<u>4,378,836</u>
Assigned to:			
General government	87,717		
Law enforcement	1,037,018		
Highways and streets		44,158	
Sanitation	221,865		122,080
Capital outlay			275,000
Total Assigned	<u>1,346,600</u>	<u>44,158</u>	<u>397,080</u>
Unassigned	<u>1,659,195</u>		
Totals	<u>\$ 3,034,266</u>	<u>\$ 584,461</u>	<u>\$ 4,775,916</u>

**NOTE 9: Commitments**

Total commitments consist of the following at December 31, 2012:

	December 31, 2012
Long-term liabilities	\$ 625,627
Construction contract	<u>1,676,005</u>
Total Commitments	<u>\$ 2,301,632</u>



JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 9: Commitments (Continued)**

Long-term Liabilities

Long-term liabilities at December 31, 2012 are comprised of the following:

	December 31, 2012
Lease- purchase agreement w ith Scott Financial Services, LLC for a 2009 Nissan pothole patcher; 5 annual payments of \$26,058 due each February through 2013; interest - 5.25%. Payments are to be made from the Road Fund.	\$ 24,738
Lease-purchase agreement w ith Scott Financial Services, LLC for a used Gradall XL3100 excavator and bucket; 5 annual payments of \$47,819 due each January through 2013; interest - 4%. Payments are to be made from the Road Fund.	45,708
Lease-purchase agreement w ith Scott Financial Services, LLC for a 2002 Caterpillar 140H motor grader ; 9 semiannual payments of \$18,557 through May 2016; Interest - 4.5%. Payments are to be made from the Road Fund.	118,824
Promissory note w ith Simmons First National Bank for a 2009 Mack hook lift truck; 3 annual payments of \$41,285 and a final payment of \$40,579 due each April through 2013; Interest - 3.59%. Payments are to be made from the Recycling Fund.	39,173
Promissory note w ith Pine Bluff National Bank for a 2010 Rosco pothole patcher; 4 annual payments of \$41,381 due each January through 2013; Interest - 4.0%. Payments are to be made from the Road Fund.	39,785
Promissory note w ith Pine Bluff National Bank for a 2006 Linkbelt excavator; 4 annual payments of \$25,131 due each January through 2013; Interest - 4.0%. Payments are to be made from the Road Fund.	24,151
Compensated absences	333,249
Total Long-term liabilities	\$ 625,627

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

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2012:

Years Ending December 31,	Notes	Leases	Total
2013	\$ 107,090	\$ 110,992	\$ 218,082
2014		37,114	37,114
2015		37,114	37,114
2016		18,557	18,557
Total Obligations	107,090	203,777	310,867
Less Interest	3,981	14,508	18,489
Total Principal	\$ 103,109	\$ 189,269	\$ 292,378

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 9: Commitments (Continued)**

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2012:

Project Name	Completion Date	Contract Balance December 31, 2012
New Jefferson County Sheriff's Office Phase 1	February 1, 2014	<u>\$ 1,676,005</u>

**NOTE 10: Interfund Transfers**

The General Fund transferred \$44,158 and \$275,000 to the Road Fund and Other Funds in the Aggregate, respectively, to supplement expenditures and for capital projects. The Other Funds in the Aggregate transferred \$3,450,928 and \$100,000 to the General Fund and the Road Fund, respectively, for various expenditures and jail reimbursements. Within the Other Funds in the Aggregate, the Jail Fund transferred \$1,402,000 to the Capital Projects Fund for capital projects and the Assessor's Amendment no. 79 Fund transferred \$50,000 to the Reappraisal Fund for reappraisal expenses.

**NOTE 11: Prior Year Restatement**

The General Fund and the Other Funds in the Aggregate January 1, 2012 fund balances were decreased and increased, respectively, in the amount of \$1,066 to reflect the Jefferson County Construction Fund as part of the Other Funds in the Aggregate. This fund had previously been reflected in the General Fund. The General Fund and the Other Funds in the Aggregate January 1, 2012 fund balances were increased, respectively, in the amount of \$5,613 and \$37,919 to reflect funds not included in prior year. The Other Funds in the Aggregate January 1, 2012 fund balance was increased \$270,266 due to an unrecorded prior year accounts receivable in the Library Fund. Also, within the Other Funds in the Aggregate the January 1, 2012 fund balances were increased and decreased, respectively, by \$146,937 to reflect the Juvenile Justice Education Fund and the Juvenile Justice Fund as separate funds.

**NOTE 12: Joint Ventures:**

A. Metropolitan Emergency Communications Association

Jefferson County belongs to the Metropolitan Emergency Communications Association (MECA), as set up by an amended interlocal cooperation agreement dated May 13, 1996, which is composed of the Cities of Pine Bluff, White Hall, Redfield, Altheimer, Wabbaseka, Humphrey, and Sherrill and Jefferson County. The Association is governed by seven commissioners which include the City of Pine Bluff's Mayor, Police Chief, and Fire Chief, Jefferson County's County Judge and Sheriff, the Office of Emergency Services Coordinator, and the Chairman of the 911 Administrative Board by virtue of their term in office or employment with the local government. Pursuant to the aforementioned amended agreement in 1996, the participants' percentage share of the deficit between 911 telephone fee revenue and operating expenses was as follows:

City of Pine Bluff	70.76%
City of White Hall	2.25%
City of Redfield	0.63%
City of Altheimer	0.57%
City of Wabbaseka	0.19%
City of Humphrey	0.21%
City of Sherrill	0.04%
Jefferson County	<u>25.35%</u>
Totals	<u>100.00%</u>

The County paid MECA \$983,580 in 2012. Separate financial statements are not available.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 12: Joint Ventures: (Continued)**

B. Pine Bluff and Jefferson County Library System

Jefferson County and the City of Pine Bluff entered into an agreement in August 1979, in accordance with Ark. Code Ann. §§ 25-20-101, 108, to establish a library system for the Jefferson County, Arkansas area. The System is composed of five members appointed by the Jefferson County Judge with Quorum Court approval and six members appointed by the Mayor of Pine Bluff and ratified by the City Council. Title to fixed assets held by the constituent governmental units and used for library purposes at the time of the execution of this agreement shall remain unchanged, although additional assets may be acquired in the name of the System. The Board shall fix the number of and salaries of employees of the system. The County paid the Pine Bluff and Jefferson County Library System \$540,000 in 2012. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

**NOTE 13: Jointly Governed Organizations**

Tri-County Drug Task Force

The Sheriff's Departments of Arkansas, Jefferson, and Lincoln Counties, the Police Department of Pine Bluff, and the Prosecuting Attorney's Offices of the Eleventh-East and Eleventh-West Judicial Districts entered into an agreement to establish the Tri-County Drug Task Force. The agreement covers the period July 1, 2012 to June 30, 2013 and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorneys of the Eleventh-East and Eleventh-West Judicial Districts. No contributions or payments for expenditures were made to the Tri-County Drug Task Force by the County. The 2012 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, AR 71611.

**NOTE 14: Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The County participates in the Association of Arkansas Counties Program (public entity risk pools) for coverage in the following area:

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

The County participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county property.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 14: Risk Management (Continued)**

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$250,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

**NOTE 15: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation.

**NOTE 16: Tax Collector's Commission**

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

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 17: Landfill Lease Agreement**

The County entered into a lease agreement for the operation of a county landfill with Waste Management of Arkansas, Inc., on July 13, 1990. The County covenants to lessee and the City of Pine Bluff, Arkansas, that the County will provide at the premises a minimum of twenty years of disposal capacity for the Arkansas Solid Waste Planning District which includes the premises. Lessee shall lease the premises from the commencement of the lease and so long thereafter as lessee continues active land-filling at the premises or diligently pursues permits and licenses for such operations. Lessee shall pay a monthly rental of five thousand dollars (\$5,000), a monthly rental (base rental) equal to an assessment of each yard of waste material generated by public or private entities located outside Jefferson County, plus an annual twenty thousand dollar (\$20,000) grant to be applied to support recycling, environmental education and countywide beautification, and environmental protection and improvement programs. Waste Management is required to pay all closure and postclosure costs.

**NOTE 18: Hospital Lease Agreement**

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

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

SPECIAL REVENUE FUNDS

	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
<b>ASSETS</b>									
Cash and cash equivalents	\$ 20,811	\$ 109,228	\$ 22,434	\$ 37,737	\$ 65,845	\$ 36,002	\$ 42,593	\$ 7,166	\$ 1,407
Investments	19,145		20,637	34,715	60,573	33,120	39,183	6,593	1,295
Accounts receivable	8,692	2,587	5,089	60,810	4,203		1,900	1,141	133
<b>TOTAL ASSETS</b>	<b>\$ 48,648</b>	<b>\$ 111,815</b>	<b>\$ 48,160</b>	<b>\$ 133,262</b>	<b>\$ 130,621</b>	<b>\$ 69,122</b>	<b>\$ 83,676</b>	<b>\$ 14,900</b>	<b>\$ 2,835</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable		\$ 996		\$ 11,182	\$ 6,223				
Settlements pending									
Total Liabilities		996		11,182	6,223				
Fund Balances:									
Restricted	\$ 48,648	110,819	\$ 48,160		124,398	\$ 69,122	\$ 83,676	\$ 14,900	\$ 2,835
Assigned				122,080					
Total Fund Balances	48,648	110,819	48,160	122,080	124,398	69,122	83,676	14,900	2,835
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 48,648</b>	<b>\$ 111,815</b>	<b>\$ 48,160</b>	<b>\$ 133,262</b>	<b>\$ 130,621</b>	<b>\$ 69,122</b>	<b>\$ 83,676</b>	<b>\$ 14,900</b>	<b>\$ 2,835</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

SPECIAL REVENUE FUNDS									
	Boating Safety	Recorder's Cost	Jail Operation	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)	Treasurer's Automation	Economic Development
ASSETS									
Cash and cash equivalents	\$ 3,763	\$ 12,309	\$ 234,999	\$ 217,024	\$ 333,952	\$ 42,706	\$ 31,256	\$ 14,545	
Investments	3,461	11,324	216,182	199,645	307,210	39,287	28,754	13,380	
Accounts receivable	258	5,875	193,617	143,978					\$ 275,247
<b>TOTAL ASSETS</b>	<b>\$ 7,482</b>	<b>\$ 29,508</b>	<b>\$ 644,798</b>	<b>\$ 560,647</b>	<b>\$ 641,162</b>	<b>\$ 81,993</b>	<b>\$ 60,010</b>	<b>\$ 27,925</b>	<b>\$ 275,247</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									
Settlements pending									
Total Liabilities									
Fund Balances:									
Restricted	\$ 7,482	\$ 29,508	\$ 644,798	\$ 560,647	\$ 641,162	\$ 81,993	\$ 60,010	\$ 27,925	\$ 275,247
Assigned									
Total Fund Balances	<u>7,482</u>	<u>29,508</u>	<u>644,798</u>	<u>560,647</u>	<u>641,162</u>	<u>81,993</u>	<u>60,010</u>	<u>27,925</u>	<u>275,247</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,482</b>	<b>\$ 29,508</b>	<b>\$ 644,798</b>	<b>\$ 560,647</b>	<b>\$ 641,162</b>	<b>\$ 81,993</b>	<b>\$ 60,010</b>	<b>\$ 27,925</b>	<b>\$ 275,247</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

SPECIAL REVENUE FUNDS										
	County Clerk's Cost	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife	Courthouse Security	Drug Court	Justice Equitable Sharing Program	Juvenile Justice Education	Local Law Enforcement Block Grant	Victims of Crime
ASSETS										
Cash and cash equivalents	\$ 12,142	\$ 9,860	\$ 9,039	\$ 4,219	\$ 30	\$ 5,186	\$ 19,790	\$ 85,235	\$ 39,686	\$ 1,222
Investments	11,169	9,070	8,315	3,881	27	4,771	18,206	78,410		
Accounts receivable	1,656	1,089	30,803			465				
<b>TOTAL ASSETS</b>	<b>\$ 24,967</b>	<b>\$ 20,019</b>	<b>\$ 48,157</b>	<b>\$ 8,100</b>	<b>\$ 57</b>	<b>\$ 10,422</b>	<b>\$ 37,996</b>	<b>\$ 163,645</b>	<b>\$ 39,686</b>	<b>\$ 1,222</b>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable						\$ 193		\$ 3,411		
Settlements pending										
Total Liabilities						193		3,411		
Fund Balances:										
Restricted	\$ 24,967	\$ 20,019	\$ 48,157	\$ 8,100	\$ 57	10,229	\$ 37,996	160,234	\$ 39,686	\$ 1,222
Assigned										
Total Fund Balances	24,967	20,019	48,157	8,100	57	10,229	37,996	160,234	39,686	1,222
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 24,967</b>	<b>\$ 20,019</b>	<b>\$ 48,157</b>	<b>\$ 8,100</b>	<b>\$ 57</b>	<b>\$ 10,422</b>	<b>\$ 37,996</b>	<b>\$ 163,645</b>	<b>\$ 39,686</b>	<b>\$ 1,222</b>



JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

	CAPITAL PROJECTS FUNDS		AGENCY FUNDS							Totals
	Jefferson County Construction	Watson Chapel Water District Generator	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Court's Accounts	Sanitation	
<b>ASSETS</b>										
Cash and cash equivalents	\$ 807,874	\$ 80	\$ 165,765	\$ 7,902	\$ 146,989	\$ 346,573	\$ 302,059	\$ 444	\$ 105,167	\$ 3,303,039
Investments	743,183	73	152,489							2,064,098
Accounts receivable										737,543
<b>TOTAL ASSETS</b>	<b>\$ 1,551,057</b>	<b>\$ 153</b>	<b>\$ 318,254</b>	<b>\$ 7,902</b>	<b>\$ 146,989</b>	<b>\$ 346,573</b>	<b>\$ 302,059</b>	<b>\$ 444</b>	<b>\$ 105,167</b>	<b>\$ 6,104,680</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$ 79,371									\$ 101,376
Settlements pending			\$ 318,254	\$ 7,902	\$ 146,989	\$ 346,573	\$ 302,059	\$ 444	\$ 105,167	1,227,388
<b>Total Liabilities</b>	<b>79,371</b>		<b>318,254</b>	<b>7,902</b>	<b>146,989</b>	<b>346,573</b>	<b>302,059</b>	<b>444</b>	<b>105,167</b>	<b>1,328,764</b>
Fund Balances:										
Restricted	1,196,686	\$ 153								4,378,836
Assigned	275,000									397,080
<b>Total Fund Balances</b>	<b>1,471,686</b>	<b>153</b>								<b>4,775,916</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,551,057</b>	<b>\$ 153</b>	<b>\$ 318,254</b>	<b>\$ 7,902</b>	<b>\$ 146,989</b>	<b>\$ 346,573</b>	<b>\$ 302,059</b>	<b>\$ 444</b>	<b>\$ 105,167</b>	<b>\$ 6,104,680</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

SPECIAL REVENUE FUNDS									
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
REVENUES									
State aid	\$ 8,692			\$ 231,392	\$ 3,371				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 108,384		56,053	\$ 68,203	\$ 90,945	\$ 13,696	
Interest	1,287	\$ 376	619	2,403	1,938	926	1,337	181	\$ 36
Officers' fees		54,923							2,119
School District contributions									
Recycling fees				59,467					
911 fees									
Treasurer's commission									
Collector's commission									
Other				1,335					
<b>TOTAL REVENUES</b>	<b>9,979</b>	<b>55,299</b>	<b>109,003</b>	<b>294,597</b>	<b>61,362</b>	<b>69,129</b>	<b>92,282</b>	<b>13,877</b>	<b>2,155</b>
Less: Treasurer's commission	102		886	516	423	7	195	112	18
<b>NET REVENUES</b>	<b>9,877</b>	<b>55,299</b>	<b>108,117</b>	<b>294,081</b>	<b>60,939</b>	<b>69,122</b>	<b>92,087</b>	<b>13,765</b>	<b>2,137</b>
EXPENDITURES									
Current:									
General government									
Law enforcement		34,018			49,108		12,995		
Public safety									
Sanitation				298,865					
Recreation and culture									
<b>Total Current</b>		<b>34,018</b>		<b>298,865</b>	<b>49,108</b>		<b>12,995</b>		
Debt Service:									
Note principal				38,489					
Note interest				2,796					
<b>TOTAL EXPENDITURES</b>		<b>34,018</b>		<b>340,150</b>	<b>49,108</b>		<b>12,995</b>		

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS								
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 9,877	\$ 21,281	\$ 108,117	\$ (46,069)	\$ 11,831	\$ 69,122	\$ 79,092	\$ 13,765	\$ 2,137
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out	(84,400)		(81,591)	(100,000)		(67,990)	(60,000)	(13,655)	(1,800)
Sales tax remitted to Economic Development Corporation									
TOTAL OTHER FINANCING SOURCES (USES)	(84,400)		(81,591)	(100,000)		(67,990)	(60,000)	(13,655)	(1,800)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(74,523)	21,281	26,526	(146,069)	11,831	1,132	19,092	110	337
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	123,171	89,538	168,571	268,149	112,567	67,990	64,584	14,790	2,498
Restatement adjustment			(146,937)						
FUND BALANCES - JANUARY 1, AS RESTATED	123,171	89,538	21,634	268,149	112,567	67,990	64,584	14,790	2,498
FUND BALANCES - DECEMBER 31	<u>\$ 48,648</u>	<u>\$ 110,819</u>	<u>\$ 48,160</u>	<u>\$ 122,080</u>	<u>\$ 124,398</u>	<u>\$ 69,122</u>	<u>\$ 83,676</u>	<u>\$ 14,900</u>	<u>\$ 2,835</u>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS								
	Boating Safety	Recorder's Cost	Jail Operation	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)	Treasurer's Automation	Economic Development
REVENUES									
State aid	\$ 6,640				\$ 68,772		\$ 96,692		
Federal aid									
Property taxes					522,193				
Sales taxes			\$ 2,283,841						\$ 3,418,503
Fines, forfeitures, and costs			123,476						
Interest	108	\$ 485	18,746	\$ 8,524	9,322	\$ 957		\$ 351	
Officers' fees		82,550							
School District contributions									
Recycling fees									
911 fees				694,915					
Treasurer's commission								52,376	
Collector's commission						81,518			
Other									
<b>TOTAL REVENUES</b>	<b>6,748</b>	<b>83,035</b>	<b>2,426,063</b>	<b>703,439</b>	<b>600,287</b>	<b>82,475</b>	<b>96,692</b>	<b>52,727</b>	<b>3,418,503</b>
Less: Treasurer's commission	59	676	19,585	5,678	4,849	666		3	
<b>NET REVENUES</b>	<b>6,689</b>	<b>82,359</b>	<b>2,406,478</b>	<b>697,761</b>	<b>595,438</b>	<b>81,809</b>	<b>96,692</b>	<b>52,724</b>	<b>3,418,503</b>
EXPENDITURES									
Current:									
General government		89,348				77,465		56,244	
Law enforcement									
Public safety				770,554			96,692		
Sanitation									
Recreation and culture					540,000				
Total Current		89,348		770,554	540,000	77,465	96,692	56,244	
Debt Service:									
Note principal									
Note interest									
<b>TOTAL EXPENDITURES</b>		<b>89,348</b>		<b>770,554</b>	<b>540,000</b>	<b>77,465</b>	<b>96,692</b>	<b>56,244</b>	

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS								
	Boating Safety	Recorder's Cost	Jail Operation	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)	Treasurer's Automation	Economic Development
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,689	\$ (6,989)	\$ 2,406,478	\$ (72,793)	\$ 55,438	\$ 4,344		\$ (3,520)	\$ 3,418,503
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out	(7,783)		(4,560,887)					(87)	
Sales tax remitted to Economic Development Corporation									(3,420,122)
TOTAL OTHER FINANCING SOURCES (USES)	(7,783)		(4,560,887)					(87)	(3,420,122)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,094)	(6,989)	(2,154,409)	(72,793)	55,438	4,344		(3,607)	(1,619)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	8,576	36,497	2,799,207	633,440	315,458	77,649	\$ 60,010	31,532	276,866
Restatement adjustment					270,266				
FUND BALANCES - JANUARY 1, AS RESTATED	8,576	36,497	2,799,207	633,440	585,724	77,649	60,010	31,532	276,866
FUND BALANCES - DECEMBER 31	\$ 7,482	\$ 29,508	\$ 644,798	\$ 560,647	\$ 641,162	\$ 81,993	\$ 60,010	\$ 27,925	\$ 275,247

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, 2012

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Clerk's Cost	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife	Courthouse Security	Drug Court	Justice Equitable Sharing Program	Juvenile Justice Education
REVENUES								
State aid			\$ 369,642	\$ 8,100				
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs		\$ 23,752				\$ 5,472		
Interest	\$ 298	120	331		\$ 57	194		\$ 2,413
Officers' fees	17,888							
School District contributions								552,628
Recycling fees								
911 fees								
Treasurer's commission							\$ 37,996	
Collector's commission								
Other								
<b>TOTAL REVENUES</b>	<b>18,186</b>	<b>23,872</b>	<b>369,973</b>	<b>8,100</b>	<b>57</b>	<b>5,666</b>	<b>37,996</b>	<b>555,041</b>
Less: Treasurer's commission	148	188	3		1	44		20
<b>NET REVENUES</b>	<b>18,038</b>	<b>23,684</b>	<b>369,970</b>	<b>8,100</b>	<b>56</b>	<b>5,622</b>	<b>37,996</b>	<b>555,021</b>
EXPENDITURES								
Current:								
General government			381,648					
Law enforcement		9,780				5,624		541,724
Public safety								
Sanitation								
Recreation and culture				15,402				
Total Current		9,780	381,648	15,402		5,624		541,724
Debt Service:								
Note principal								
Note interest								
<b>TOTAL EXPENDITURES</b>		<b>9,780</b>	<b>381,648</b>	<b>15,402</b>		<b>5,624</b>		<b>541,724</b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Clerk's Cost	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife	Courthouse Security	Drug Court	Justice Equitable Sharing Program	Juvenile Justice Education
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 18,038	\$ 13,904	\$ (11,678)	\$ (7,302)	\$ 56	\$ (2)	\$ 37,996	\$ 13,297
OTHER FINANCING SOURCES (USES)								
Transfers in			50,000					
Transfers out	(12,940)				(11,795)			
Sales tax remitted to Economic Development Corporation								
TOTAL OTHER FINANCING SOURCES (USES)	(12,940)		50,000		(11,795)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,098	13,904	38,322	(7,302)	(11,739)	(2)	37,996	13,297
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	19,869	6,115	9,835	15,402	11,796	10,231		
Restatement adjustment								146,937
FUND BALANCES - JANUARY 1, AS RESTATED	19,869	6,115	9,835	15,402	11,796	10,231		146,937
FUND BALANCES - DECEMBER 31	<u>\$ 24,967</u>	<u>\$ 20,019</u>	<u>\$ 48,157</u>	<u>\$ 8,100</u>	<u>\$ 57</u>	<u>\$ 10,229</u>	<u>\$ 37,996</u>	<u>\$ 160,234</u>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECT FUNDS</u>		<u>Totals</u>
	Local Law Enforcement Block Grant	Victims of Crime	Jefferson County Construction	Watson Chapel Water District Generator	
REVENUES					
State aid		\$ 90,091		\$ 52,978	\$ 936,370
Federal aid	\$ 26,943				26,943
Property taxes					522,193
Sales taxes					5,702,344
Fines, forfeitures, and costs					489,981
Interest			\$ 18,845		69,854
Officers' fees					157,480
School District contributions					552,628
Recycling fees					59,467
911 fees					694,915
Treasurer's commission					52,376
Collector's commission					81,518
Other		22,882			62,213
TOTAL REVENUES	26,943	112,973	18,845	52,978	9,408,282
Less: Treasurer's commission			152		34,331
NET REVENUES	26,943	112,973	18,693	52,978	9,373,951
EXPENDITURES					
Current:					
General government					604,705
Law enforcement	19,418	117,509	225,073		1,015,249
Public safety				52,825	920,071
Sanitation					298,865
Recreation and culture					555,402
Total Current	19,418	117,509	225,073	52,825	3,394,292
Debt Service:					
Note principal					38,489
Note interest					2,796
TOTAL EXPENDITURES	19,418	117,509	225,073	52,825	3,435,577



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, 2012

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS		Totals
	Local Law Enforcement Block Grant	Victims of Crime	Jefferson County Construction	Watson Chapel Water District Generator	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 7,525	\$ (4,536)	\$ (206,380)	\$ 153	\$ 5,938,374
OTHER FINANCING SOURCES (USES)					
Transfers in			1,677,000		1,727,000
Transfers out					(5,002,928)
Sales tax remitted to Economic Development Corporation					(3,420,122)
TOTAL OTHER FINANCING SOURCES (USES)			1,677,000		(6,696,050)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,525	(4,536)	1,470,620	153	(757,676)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED					5,224,341
Restatement adjustment	32,161	5,758	1,066		309,251
FUND BALANCES - JANUARY 1, AS RESTATED	32,161	5,758	1,066		5,533,592
FUND BALANCES - DECEMBER 31	\$ 39,686	\$ 1,222	\$ 1,471,686	\$ 153	\$ 4,775,916

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2012

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

Fund Name	Fund Description
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 purpose of administering Arkansas Constitution, Amendment no. 79.
Sheriff's Radio	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Juvenile Justice	Ark. Code Ann. §§ 16-13-326, 9-27-326 established fund to receive juvenile fees to provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court and collect fees and costs to offset expenses of juvenile cases.
Recycling	Jefferson County Ordinance no. 1995-34 (May 8, 1995) established fund for the recording of receipts and disbursements for recycling operations. The fund also receives state aid restricted for recycling.
Indigent Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense and representation of indigent persons.
Judicial Enhancement	Ark. Code Ann. § 16-13-704 established fund to receive Circuit Courts, Chancery Courts, Juvenile Courts, and State Division Municipal Courts installment fees of 1/2 of \$5 per month on each person to be used for court related technology.
Prosecuting Attorney	Ark. Code Ann. § 16-21-151 established fund to receive District Court costs levied to be used by Prosecuting Attorney for operating victim/witness program.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes District Court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the District Court.
Support Collection Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Boating Safety	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.
Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by Circuit Clerks to be used for automated record systems.
Jail Operation	Jefferson County Ordinance nos. 2003-41, 42 levied a sales and use tax for operating and maintaining jail facilities and/or securing the repayment of capital improvement bonds. Ark. Code Ann. § 16-17-129 levied an additional fine, not to exceed \$20. Funds shall be use exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2012

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

Fund Name	Fund Description
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the Quorum Court.
Tax Collector's Cost	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of Collector's gross commissions to operate the Collector's office and to purchase, maintain, and operate an automated record keeping system.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the County to local fire districts for equipping, training, capital improvements, and other expenditures.
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated record keeping system.
Economic Development	Jefferson County Ordinance nos. 2010-87, 88 (November 8, 2010) levied a sales and use tax for the purpose of sufficiently funding and promoting economic development projects and activities to stimulate the local economy and to support the creation of new job opportunities.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by County Clerks to be used for automated record systems.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive Circuit Court installment fees of 1/2 of \$5 per month on each person to be used for court related technology.
Reappraisal	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Arkansas Fish and Wildlife	Ark. Code Ann. § 6-16-1101 and Jefferson County Ordinance no. 2007-81 (November 13, 2007) established fund to receive grants to be used for school fish and wildlife conservation education programs.
Courthouse Security	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for Circuit and District Courts.
Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive costs set by drug court judges to be used for treatment, drug testing, and supervision costs.
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.

JEFFERSON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2012

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

Fund Name	Fund Description
Juvenile Justice Education	Jefferson County Ordinance no. 1998-13 (January 12, 1998) established to receive funds awarded by the Arkansas Department of Education to provide an educational program for juveniles incarcerated.
Local Law Enforcement Block Grant	Established to receive grant funds from the Local Law Enforcement Block Grant program to be used law enforcement purposes.
Victims of Crime	Fund was established to receive state grants for the purpose of salaries for coordinators of victims of violent crime services.
Jefferson County Construction	Jefferson County Ordinance no. 2012-11 (February 3, 2012) established fund for the construction of the Jefferson County Sheriff's Office building.
Watson Chapel Water District Generator	Jefferson County Ordinance no. 2012-29 (May 14, 2012) established fund to receive grant funds from the Arkansas Economic Development Commission to purchase and install an emergency generator.

Treasurer's accounts consist primarily of property taxes, fines and costs, interest and state aid.

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

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

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

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

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

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

JEFFERSON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2012  
(Unaudited)

Schedule 3

	<u>December 31, 2012</u>
Land	\$ 7,921,633
Buildings	28,187,598
Equipment	<u>12,899,251</u>
Total	<u>\$ 49,008,482</u>

JEFFERSON COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
DECEMBER 31, 2012  
(Unaudited)

Schedule 4

<b><u>General</u></b>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Assets	\$ 3,149,939	\$ 4,259,314	\$ 4,477,848	\$ 6,430,563	\$ 5,203,858
Total Liabilities	115,673	275,525	42,420	187,716	119,908
Total Fund Balances	3,034,266	3,983,789	4,435,428	6,242,847	5,083,950
Net Revenues	14,504,552	14,167,313	11,348,527	11,829,313	11,039,000
Total Expenditures	18,590,392	18,179,800	12,222,199	11,900,986	10,667,215
Total Other Financing Sources/Uses	3,131,770	3,067,776	(970,753)	1,230,571	(249,003)
 <b><u>Road</u></b>					
Total Assets	\$ 703,637	\$ 836,931	\$ 1,162,887	\$ 944,699	\$ 1,063,265
Total Liabilities	119,176	46,275	127,524	46,987	73,592
Total Fund Balances	584,461	790,656	1,035,363	897,712	989,673
Net Revenues	3,362,074	3,347,001	3,999,322	3,705,658	3,635,188
Total Expenditures	3,712,427	3,572,145	4,019,486	3,824,937	3,931,142
Total Other Financing Sources/Uses	144,158	(19,563)	194,822	27,318	199,950
 <b><u>Other Funds in the Aggregate</u></b>					
Total Assets	\$ 6,104,680	\$ 6,788,907	\$ 7,756,178	\$ 8,445,326	\$ 8,719,329
Total Liabilities	1,328,764	1,564,566	1,697,269	2,066,290	1,660,736
Total Fund Balances	4,775,916	5,224,341	6,058,909	6,379,036	7,058,593
Net Revenues	9,373,951	7,086,836	8,832,998	10,415,681	11,230,513
Total Expenditures	3,435,577	3,226,567	9,929,056	12,237,351	12,039,843
Total Other Financing Sources/Uses	(6,696,050)	(4,201,763)	775,931	1,142,111	649,053