

Newton County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2008 and 2007

LEGISLATIVE JOINT AUDITING COMMITTEE



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Senate Co-Chair
Rep. Johnny Hoyt
House Co-Chair
Sen. Bill Pritchard
Senate Co-Vice Chair
Rep. Beverly Pyle
House Co-Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Newton County, Arkansas, as of and for the years ended December 31, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1(B and C), the County has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Newton County, Arkansas, as of December 31, 2008 and 2007, or the changes in its financial position or where applicable, its cash flows, thereof for the years then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Newton County Nursing Home Board has not been included in the County's regulatory basis financial statements. The regulatory basis as prescribed or permitted by Arkansas Code requires the Newton County Nursing Home Board to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues and expenditures. The amount by which this departure would affect the assets, liabilities, revenues and expenditures of the other funds in the aggregate column is not reasonably determinable. The County's regulatory basis financial statements also do not disclose all the required information concerning deposit risks, which should be included in order to conform with the regulatory basis of accounting described in Note 1(C).


In our opinion, because of the effects on the financial statements of the omissions described in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective regulatory basis financial position of the other funds in the aggregate of Newton County, Arkansas, as of December 31, 2008 and 2007, and the respective changes in the regulatory basis financial position for the years then ended on the basis of accounting as described in Note 1(C).

In our opinion, except for the effects of not disclosing all required information concerning deposit risks, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of the general fund and road fund of Newton County, Arkansas, as of December 31, 2008 and 2007, and the respective changes in the regulatory basis financial position, and the budgetary results for the general fund and road fund for the years then ended on the basis of accounting as described in Note 1(C).

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2009 on our consideration of the County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements of Newton County, Arkansas. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Newton County, Arkansas. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, because of the effects on the financial information in the supporting schedules of the omissions described above, such information is not presented fairly in all material respects in relation to the financial statements taken as a whole. The supplementary information in the Schedule of Capital Assets required by the regulatory basis of presentation and the Schedule of Selected Information for the Last Two Years as listed in the table of contents as Schedules 5 and 6 are presented for the purpose of additional analysis. We have not applied auditing procedures to this information and, accordingly, we express no opinion on these schedules.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, written over a white background.

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

Little Rock, Arkansas
September 21, 2009
LOCO05108

Sen. Bobby L. Glover
Senate Co-Chair
Rep. Johnny Hoyt
House Co-Chair
Sen. Bill Pritchard
Senate Co-Vice Chair
Rep. Beverly Pyle
House Co-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

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

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Newton County, Arkansas, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated September 21, 2009. We issued an adverse opinion because the County prepared the financial statements using accounting practices prescribed or permitted by Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices 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 basis of accounting described in Note 1(C), our opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit risks. Our opinion on other funds in the aggregate was adverse for not including the Newton County Nursing Home Board which is material to other funds in the aggregate. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting as prescribed or permitted by Arkansas Code such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting:

2008-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording cash 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 cash transactions to the extent possible with the current staffing levels.

2008-2 State law provides procedures for approval and payment of county claims, county purchasing procedures, and ethics for elected officials and employees. Ark. Code Ann. § 14-23-206 indicates the county court (county judge) shall approve or disapprove county claims for payment, and Ark. Code Ann. § 14-23-105 requires adequate supporting documentation must be provided to substantiate a payment. According to Ark. Code Ann. §§ 14-22-101 to -115, formal bidding is required for commodity purchases in excess of \$20,000, except those commodities exempted from bid solicitation. Any purchase of a used motor vehicle, equipment, or machinery may be exempt from the bid process, but must be accompanied by a statement in writing from the vendor that the motor vehicle, equipment, or machinery is at least two years in age from the date of original manufacture or has been used a minimum of 500 hours or driven a minimum of 10,000 miles. In addition, Ark. Code Ann. § 14-14-1202 states that an elected official or county employee shall not be interested directly or indirectly in any county contract or transaction unless a quorum court adopts an ordinance authorizing this activity.

A review of County transactions and interviews with individuals associated with the County revealed numerous reportable state law compliance issues and questioned transactions occurred during January 1, 2007 through December 31, 2008. Discussed below are issues including unauthorized and undocumented disbursements and noncompliance with state ethics, purchasing, and bidding laws. The chart provides background information relating to the County.

Name of Individual/Business/Payee	Background Information
Harold Smith	County Judge (January 1, 1997 through December 31, 2008)
Mike Tabor	Quorum Court member (January 1, 2005 to present)
Stanley McCutcheon	County Road Foreman
Tabor Excavating	Business owned by Mike Tabor
Davidson Excavating	Payee using the address of another vendor
Feed Lot Farm Supply	Business owned by stepfather of Tabor

The County Judge approved the following claims for payment without adequate supporting documentation:

- \$50,095 to Danny Ruff in 2008 for hauling or dozer work. Documentation was inadequate and inconsistent. In several instances, documentation consisted of invoices having the same appearance and invoice number in the approximate range as invoices submitted by two other vendors in unrelated transactions.
- \$31,500 and \$10,650 to L. A. Tidwell, LTD for equipment and Tim Tidwell Construction Company, Inc., a business owned by L. A. Tidwell's son, for supplies in 2008 and 2007, respectively.
- \$40,760 to House Farms and Todd House in 2008. Documentation consisted of four different types of invoices. Documentation also included invoices having the same appearance and invoice number in the approximate range as invoices of two other vendors in unrelated transactions. In addition, signature of the vendor on invoices was inconsistent.
- \$37,402 to M. L. Jones Construction, Inc., for dozer/grader work and loads of gravel in 2008. Documentation consisted of generic invoices stamped with the vendor name. Invoices were issued out of order and invoice numbers ranged from 320206 to 320230, with dates ranging from April 20, 2008 to August 30, 2008. Blank invoices, stamped with the name and address of M. L. Jones Construction Inc., were in the possession of the County Judge.
- \$30,110 to Davidson Excavating in 2008. Davidson Excavating is not registered with the Secretary of State or listed in the telephone directory. The documentation is questionable because invoices reflected the address of another vendor and had the same format as Tabor Excavating. Several invoices also appear to have been altered with "white-out."
- \$9,440 to Flud's Lumber and Construction for dozer work and hauling gravel in 2008.
- \$3,215 to Melton Farms for clay fill. Documentation was inconsistent and appeared to have the same format as several other vendors and an invoice appeared to have been altered with "white-out."
- \$400 to Jimmy Christian for labor without documentation of the type of service performed or the rate of pay.
- \$525 to Jimmy Christian for equipment. Documentation was a generic invoice with the same appearance and invoice number in the approximate range of invoices of two other vendors in unrelated transactions.

Without a Quorum Court ordinance authorizing transactions and adequate supporting documentation, the County Judge approved the following payments in apparent conflict with state ethics and claim processing laws:

- \$388 to Tabor Excavating, a company owned by Tabor who is a Quorum Court member.
- \$800 to Feed Lot Farm Supply, a business owned by the stepfather of Tabor. Documentation for this payment was different than other purchases from this vendor and the check was secondarily endorsed by Tabor.
- \$5,515 and \$3,955 to minor children of County Road Foreman Stanley McCutcheon for gravel in 2008 and 2007, respectively.

The County Judge approved the following purchases without complying with county purchasing laws:

- Two generators for \$31,840 without soliciting bids.
- Two used dozers for \$26,900 and \$31,500 in 2008 and 2007, respectively, without obtaining a 500 hour use certificate from the vendor.

In addition, the County Judge approved the purchase of a truck for \$4,600, in September 2007, which was traded at a value of \$2,500 to L. A. Tidwell for supplies in March 2008.

This information will be forwarded to the Fourteenth Judicial District Prosecuting Attorney and the Federal Bureau of Investigation.

Lack of internal controls and adequate management oversight resulted in the abovementioned noncompliance issues and improper transactions.

The County Judge has responded that the County intends to comply with applicable purchasing and ethics laws.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-1 and 2008-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described below and in the internal control over Financial Reporting section as item 2008-2.

OMB Circular A-133 requires County management to obtain a federal compliance audit when federal expenditures exceed \$500,000. The County had in excess of \$500,000 in federal expenditures in 2008 and did not obtain a federal compliance audit as required. The County could be responsible for repayment of federal expenditures if instances of noncompliance are noted during a federal compliance audit.

The County Judge has responded that a federal compliance audit will be obtained.

The County's response to the findings identified in our audit is described above. We did not audit the County's response and, accordingly, we express no opinion on it.

Other Issues

The following issues are not significant deficiencies, material weaknesses or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the County.

The commentary contained in this section relates to the following officials that held office during 2008 and 2007:

County Judge: Harold Smith
Treasurer: Jolena Breedlove
Sheriff: Keith Slape
Tax Collector: Nedra Daniels
County and Circuit Clerk: Donnie Davis
County Librarian: Teresa Hayes
District Court Clerk: Mona Ray

Our audit procedures indicated that the Offices of **Treasurer, Tax Collector and County Librarian** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the Offices of **County Judge, County and Circuit Clerk, Sheriff and District Court Clerk**.

County Judge

- A. Again, expenditures exceeded appropriations in the General and Road Funds in 2008 by \$36,983 and \$115,871, respectively and in 2007 by \$85,360 and \$71,275, respectively.
- B. Amendment No. 78 to the Arkansas Constitution limits counties to five years on short-term financing agreements. The County entered into lease purchase agreements for two motor graders for a period of 6 years.
- C. Fixed asset records were not updated in a timely manner for equipment disposals, and periodic inventories were not taken. In addition, all vehicles and equipment used by the Road Department could not be identified to items on the fixed asset listing by serial number.
- D. Ark. Code Ann. § 14-16-105 requires that real or personal property sold by the County be supported by a court order entered by the County Judge setting forth the description of the property, reason for the sale and that the County Assessor has caused the property to be appraised. During 2007 the County sold personal property without the support of such an order or the appropriate appraisal of the property by the County Assessor.

County and Circuit Clerk

- A. Appropriation records maintained by the County Clerk did not contain all line items appropriated by the Quorum Court; all warrants issued for expenditures were not reconciled monthly to the claims docket; and transfers were not always entered in the claims docket as required by Ark. Code Ann. §§ 14-21-101, 14-20-104.
- B. Claims were not always properly documented or approved by the appropriate elected county official or his designated representative prior to the claim being filed and docketed with the County Clerk as required by Ark. Code Ann. § 14-23-105.
- C. Receipts were not issued for all items of revenue in the Trust Account as required by Ark. Code Ann. § 14-25-108.
- D. Time sheets evidencing hours worked by county employees were not always approved by the appropriate supervisor or filed with the Clerk for payment.

Sheriff

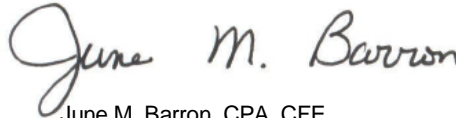
- A. Sheriff's Office fine and bond revenue of \$2,727 was not deposited during the period August 1, 2008 through January 2, 2009. Former Sheriff's Office bookkeeping supervisor, Jenny LaFollette, was custodian of these funds. Ms. LaFollette was charged with Theft of Property, a Class B felony, on June 3, 2009.
- B. Receipts were not issued for all cash or checks received or deposited intact daily as required by Ark. Code Ann. §§ 16-10-207, 14-25-108.
- C. The ending cash balance of the Sheriff's bank accounts was not identified with receipt numbers for cases not yet adjudicated and the payments made on all unpaid individual time accounts for the District Court, Bond and Fine, and Circuit Court accounts as required by Ark. Code Ann. § 16-10-207.
- D. Invoices were not retained in 2008 to support the purchases made from the Sheriff's Communication Facilities and Equipment Fund.

District Court Clerk

- A. Receipt and disbursement journals again were not prepared for the District Court, Small Claims or Probation accounts as required by Ark. Code Ann. § 16-10-209.
- B. Bank statements were not reconciled timely to receipts issued nor were ending balances identified to receipts issued for cases not yet adjudicated and payments on all unpaid time accounts as required by Ark. Code Ann. § 16-10-209.
- C. Individual tickets in the completed ticket books were not reconciled to tickets issued as reflected on the arrest report as required by Ark. Code Ann. § 16-10-209.
- D. Time payment account ledger cards were not maintained for individuals making time payments to the Court as required by Ark. Code Ann. § 16-10-209.
- E. Receipt numbers were not recorded on all docket sheets for civil and small claims cases as required by Ark. Code Ann. § 16-10-206.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, the federal awarding agencies and pass-through entities, if applicable, 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 Arkansas Code Annotated § 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
September 21, 2009

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NEWTON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2008

Exhibit A

	General	Road	Other Funds In The Aggregate
ASSETS			
Cash and cash equivalents	\$ 656,970	\$ 35,583	\$ 1,860,060
Accounts receivable	164,478	63,485	20,667
TOTAL ASSETS	\$ 821,448	\$ 99,068	\$ 1,880,727
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 52,379	\$ 24,253	\$ 31,570
Settlements pending	27,128		424,141
Total Liabilities	79,507	24,253	455,711
Fund Balances:			
Reserved		74,815	1,425,016
Unreserved:			
Undesignated	741,941		
Total Fund Balances	741,941	74,815	1,425,016
TOTAL LIABILITIES AND FUND BALANCES	\$ 821,448	\$ 99,068	\$ 1,880,727

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

NEWTON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Exhibit B

	General	Road	Other Funds In The Aggregate
REVENUES			
State aid	\$ 476,205	\$ 822,964	\$ 85,866
Federal aid	363,132	216,339	1,553,299
Property taxes	143,968	64,185	45,614
Sales taxes	122,446		227,400
Fines, forfeitures and costs	114,776		11,474
Interest	10,268	2,350	14,545
Officers' fees	60,908		22,420
Solid waste	144,702		
Jail fees	6,888		
Treasurer's commission	67,179		10,080
Collector's commission	70,463		10,844
Taxes apportioned - Assessor's salary and expense	99,004		
Other	100,878	7,468	11,545
TOTAL REVENUES	1,780,817	1,113,306	1,993,087
Less: Treasurer's commission	30,898	22,111	37,639
NET REVENUES	1,749,919	1,091,195	1,955,448
EXPENDITURES			
Current:			
General government	704,710		56,930
Law enforcement	542,665		53,162
Highways and streets		1,250,687	670,748
Public safety	16,770		
Sanitation	233,052		
Health	14,620		
Recreation and culture			97,289
Total Current	1,511,817	1,250,687	878,129
Debt Service:			
Lease principal		24,975	12,204
Lease interest		5,009	2,788
TOTAL EXPENDITURES	1,511,817	1,280,671	893,121
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	238,102	(189,476)	1,062,327

NEWTON COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2008

Exhibit B

	General	Road	Other Funds In The Aggregate
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 5	\$ 200,000	\$ 2,055
Transfers out			(202,060)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5</u>	<u>200,000</u>	<u>(200,005)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	238,107	10,524	862,322
FUND BALANCES - JANUARY 1	<u>503,834</u>	<u>64,291</u>	<u>562,694</u>
FUND BALANCES - DECEMBER 31	<u>\$ 741,941</u>	<u>\$ 74,815</u>	<u>\$ 1,425,016</u>

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

NEWTON 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, 2008

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 446,952	\$ 476,205	\$ 29,253	\$ 864,600	\$ 822,964	\$ (41,636)
Federal aid	280,000	363,132	83,132	175,500	216,339	40,839
Property taxes	121,000	143,968	22,968	82,400	64,185	(18,215)
Sales taxes	50,000	122,446	72,446			
Fines, forfeitures and costs	115,865	114,776	(1,089)			
Interest	9,107	10,268	1,161	1,600	2,350	750
Officers' fees	69,806	60,908	(8,898)			
Solid waste	195,528	144,702	(50,826)			
Jail fees		6,888	6,888			
Treasurer's commission	63,000	67,179	4,179			
Collector's commission	61,082	70,463	9,381			
Taxes apportioned - Assessor's salary and expense	81,130	99,004	17,874			
Other	17,165	100,878	83,713	7,500	7,468	(32)
TOTAL REVENUES	1,510,635	1,780,817	270,182	1,131,600	1,113,306	(18,294)
Less: Treasurer's commission		30,898	(30,898)		22,111	(22,111)
NET REVENUES	1,510,635	1,749,919	239,284	1,131,600	1,091,195	(40,405)
EXPENDITURES						
Current:						
General government	701,566	704,710	(3,144)			
Law enforcement	515,943	542,665	(26,722)			
Highways and streets				1,164,800	1,250,687	(85,887)
Public safety		16,770	(16,770)			
Sanitation	234,403	233,052	1,351			
Health	22,922	14,620	8,302			
Total Current	1,474,834	1,511,817	(36,983)	1,164,800	1,250,687	(85,887)
Debt Service:						
Lease principal					24,975	(24,975)
Lease interest					5,009	(5,009)
TOTAL EXPENDITURES	1,474,834	1,511,817	(36,983)	1,164,800	1,280,671	(115,871)

NEWTON 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, 2008

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 35,801	\$ 238,102	\$ 202,301	\$ (33,200)	\$ (189,476)	\$ (156,276)
OTHER FINANCING SOURCES (USES)						
Transfers in		5	5		200,000	200,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	35,801	238,107	202,306	(33,200)	10,524	43,724
FUND BALANCES - JANUARY 1, AS RESTATED	10,000	503,834	493,834		64,291	64,291
FUND BALANCES - DECEMBER 31	<u>\$ 45,801</u>	<u>\$ 741,941</u>	<u>\$ 696,140</u>	<u>\$ (33,200)</u>	<u>\$ 74,815</u>	<u>\$ 108,015</u>

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

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NEWTON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2007

Exhibit A-1

	General	Road	Other Funds In The Aggregate
ASSETS			
Cash and cash equivalents	\$ 409,797	\$ 11,452	\$ 938,246
Accounts receivable	159,032	60,071	17,195
TOTAL ASSETS	\$ 568,829	\$ 71,523	\$ 955,441
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 44,726	\$ 7,232	\$ 38,104
Settlements pending	20,269		354,643
Total Liabilities	64,995	7,232	392,747
Fund Balances:			
Reserved		64,291	562,694
Unreserved:			
Undesignated	503,834		
Total Fund Balances	503,834	64,291	562,694
TOTAL LIABILITIES AND FUND BALANCES	\$ 568,829	\$ 71,523	\$ 955,441

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

NEWTON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Exhibit B-1

	General	Road	Other Funds In The Aggregate
REVENUES			
State aid	\$ 609,423	\$ 903,997	\$ 116,667
Federal aid	299,814	195,434	46,395
Property taxes	127,242	64,389	44,053
Sales taxes	111,213		206,538
Fines, forfeitures and costs	117,045		7,971
Interest	13,130	1,840	13,148
Officers' fees	59,770		16,221
Solid waste	95,215		
Jail fees	3,752		
Treasurer's commission	65,915		7,153
Collector's commission	63,073		10,356
Taxes apportioned - Assessor's salary and expense	107,912		
Other	140,043	31,079	25,013
TOTAL REVENUES	1,813,547	1,196,739	493,515
Less: Treasurer's commission	32,283	22,593	7,342
NET REVENUES	1,781,264	1,174,146	486,173
EXPENDITURES			
Current:			
General government	701,317		37,171
Law enforcement	708,379		60,502
Highways and streets	40,000	1,102,450	155,016
Public safety	17,847		
Sanitation	306,130		
Health	20,987		
Recreation and culture			87,944
Total Current	1,794,660	1,102,450	340,633
Debt Service:			
Lease principal		8,638	23,313
Lease interest		2,223	6,074
TOTAL EXPENDITURES	1,794,660	1,113,311	370,020

NEWTON COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Exhibit B-1

	General	Road	Other Funds In The Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (13,396)	\$ 60,835	\$ 116,153
OTHER FINANCING SOURCES (USES)			
Transfers in	6,731		4,366
Transfers out	(4,366)		(6,731)
TOTAL OTHER FINANCING SOURCES (USES)	2,365		(2,365)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,031)	60,835	113,788
FUND BALANCES - JANUARY 1	514,865	3,456	448,906
FUND BALANCES - DECEMBER 31	\$ 503,834	\$ 64,291	\$ 562,694

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

NEWTON 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, 2007

Exhibit C-1

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 555,927	\$ 609,423	\$ 53,496	\$ 839,183	\$ 903,997	\$ 64,814
Federal aid	232,500	299,814	67,314	175,000	195,434	20,434
Property taxes	105,336	127,242	21,906	61,579	64,389	2,810
Sales taxes	100,000	111,213	11,213			
Fines, forfeitures and costs	87,812	117,045	29,233			
Interest	8,306	13,130	4,824	1,400	1,840	440
Officers' fees	49,000	59,770	10,770			
Solid waste	104,320	95,215	(9,105)			
Jail fees		3,752	3,752			
Treasurer's commission	62,000	65,915	3,915			
Collector's commission		63,073	63,073			
Taxes apportioned - Assessor's salary and expense		107,912	107,912			
Other	7,290	140,043	132,753		31,079	31,079
TOTAL REVENUES	1,312,491	1,813,547	501,056	1,077,162	1,196,739	119,577
Less: Treasurer's commission		32,283	(32,283)		22,593	(22,593)
NET REVENUES	1,312,491	1,781,264	468,773	1,077,162	1,174,146	96,984
EXPENDITURES						
Current:						
General government	673,839	701,317	(27,478)			
Law enforcement	694,428	708,379	(13,951)			
Highways and streets		40,000	(40,000)	1,042,036	1,102,450	(60,414)
Public safety	7,599	17,847	(10,248)			
Sanitation	300,484	306,130	(5,646)			
Health	32,950	20,987	11,963			
Total Current	1,709,300	1,794,660	(85,360)	1,042,036	1,102,450	(60,414)
Debt Service:						
Lease principal					8,638	(8,638)
Lease interest					2,223	(2,223)
TOTAL EXPENDITURES	1,709,300	1,794,660	(85,360)	1,042,036	1,113,311	(71,275)

NEWTON 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, 2007

Exhibit C-1

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (396,809)	\$ (13,396)	\$ 383,413	\$ 35,126	\$ 60,835	\$ 25,709
OTHER FINANCING SOURCES (USES)						
Transfers in		6,731	6,731			
Transfers out		(4,366)	(4,366)			
TOTAL OTHER FINANCING SOURCES (USES)		2,365	2,365			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(396,809)	(11,031)	385,778	35,126	60,835	25,709
FUND BALANCES - JANUARY 1	305,000	514,865	209,865	20,000	3,456	(16,544)
FUND BALANCES - DECEMBER 31	<u>\$ (91,809)</u>	<u>\$ 503,834</u>	<u>\$ 595,643</u>	<u>\$ 55,126</u>	<u>\$ 64,291</u>	<u>\$ 9,165</u>

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

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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. The following funds of the County are not presented in this report: Newton County Nursing Home Board.

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 fund; 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 the primary operating fund and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: General, Forest Patrol, General Sales Tax, Forfeitures and Fines, Newton County Nursing Home Equipment and State General Improvement,

Road Fund - The Road Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for maintaining and constructing County 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 the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The following Special Revenue Funds are reported with other funds in the aggregate: County Road Disaster, County Community Matching Grant, Clerk's Recorder's Cost, Judicial Fine Circuit Court, Boating Safety, Arkansas Industrial Development Commission – Arkansas Energy Grant, Americans With Disabilities Grant, Treasurer's Automation, Child Support Cost, Public Defender Fee, Elevator Grant, Historic Preservation Grant, County Road Sales Tax Machinery, County Road Sales Tax Matching, County Special Detention, District Court Automation, Emergency Vehicle, Victim/Witness, Upper Buffalo Law Enforcement Center, School Resource Officer Grant, Collector's Automation, West Nile Virus, Game and Fish Education Grant, Homeland Security Law Enforcement Grant, Homeland Security Grant, Assessor's Amendment No. 79, Homeland Security Citizen Corp, Influenza Pandemic, Pay to Stay, Jail Booking Fee, Public Shooting Range Grant, County Library, Communication Facility and Equipment, Emergency Medical Services, Newton County Fair Grant, Administrative Office of the Court Grant and Solid Waste Grant.

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 (Treasurer's Commission, Payroll Tax, Law Library, Timber Tax, Jasper School District, Western Grove School District, Harrison School District, Alpena School District, City of Jasper, City of Western Grove, City of Pruitt, Property Tax Relief, Deer/Mt. Judea School District), Collector's Accounts (Current, Delinquent and Credit Card), Sheriff's Accounts (Circuit Fine and Fee, Bond and Fine, Circuit Bond and Seized Funds), County and Circuit Clerk's Accounts (Fee and Trust), District Court Accounts (County, Small Claims and Probation) and County Judge's Account (Solid Waste).

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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. 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 sixty (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 accounts and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, officers' fees, solid waste fees and delinquent property taxes that have not been transferred to the appropriate entities.

Fund Balance

1. Reserved Fund Balance indicates that portion of fund balance that is not appropriable for expenditure or is legally segregated for a specific future use.
2. Undesignated Fund Balance indicates that portion of fund balance not reserved or designated.

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 10.

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 except for the Communication Facility and Equipment Fund.

NOTE 2: Cash

Deposit 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.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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/or time deposits. Public funds may also be invested in direct obligations of the United States of America and obligations the principal and interest on which are fully guaranteed by the United States of America.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2008 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 76,453	\$ 63,251	\$ 3,885
Property taxes	4,797	234	539
Sales taxes	8,746		16,243
Fines, forfeitures and costs	3,625		
Other	70,857		
Totals	\$ 164,478	\$ 63,485	\$ 20,667

The accounts receivable balance at December 31, 2007 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 71,460	\$ 59,502	\$ 3,884
Property taxes	3,360	569	379
Sales taxes	6,944		12,896
Fines, forfeitures and costs	6,662		
Other	70,606		36
Totals	\$ 159,032	\$ 60,071	\$ 17,195

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2008 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 49,009	\$ 21,054	\$ 31,570
Payroll taxes payable	3,370	3,199	
Totals	\$ 52,379	\$ 24,253	\$ 31,570

NEWTON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2008 AND 2007

NOTE 5: Accounts Payable (Continued)

The accounts payable balance at December 31, 2007 is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Vendor payables	\$ 44,502	\$ 7,219	\$ 38,104
Payroll taxes payable	224	13	
Totals	<u>\$ 44,726</u>	<u>\$ 7,232</u>	<u>\$ 38,104</u>

NOTE 6: Legal Debt Limit

A. Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to ten percent (10%) of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2008 and 2007, the legal debt limit for bonded debt was \$6,443,797 and \$6,155,353, respectively. 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 two and one half percent (2.5%) of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2008 and 2007, the legal debt limit for short-term financing obligations was \$1,780,955 and \$1,692,280, respectively. The amount of short-term financing obligations was \$149,574 and \$186,753 leaving a legal debt margin of \$1,631,381 and \$1,505,527, respectively.

NOTE 7: Federal Funds Program Compliance

The Federal Emergency Management Disaster Relief program was not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined.

Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 8: Reserved Fund Balance

Reserved fund balance consists of the following:

	December 31, 2008	December 31, 2007
	<u>\$</u>	<u>\$</u>
<u>Road</u>	74,815	64,291
<u>Other Funds in the Aggregate</u>		
Special Revenue Funds:		
County Road Disaster	\$ 783,081	\$ 78,048
County Community Matching Grant		388
Clerk's Recorder's Cost	10,169	5,502
Judicial Fine Circuit Court	2,812	2,659
Boating Safety	6,046	8,568
Arkansas Industrial Development Commission -		
Arkansas Energy Grant	4,759	4,624
Treasurer's Automation	23,907	21,500
Child Support Cost	1,100	3,414
Public Defender Fee	3,025	3,025
Elevator Grant	3	3
Historic Preservation Grant	28	28
County Road Sales Tax Machinery	112,569	94,781
County Road Sales Tax Matching	265,910	157,503
County Special Detention	4,040	11
District Court Automation	1,574	4,330
Emergency Vehicle	290	712
Victim/Witness	19	18
School Resource Officer Grant	545	545
Collector's Automation	48,270	39,586
West Nile Virus	6	6
Game and Fish Education Grant	655	1,820
Homeland Security Law Enforcement Grant	3,337	2,036
Homeland Security Grant	4,008	524
Assessor's Amendment No. 79	9,307	7,863
Homeland Security Citizen Corp	3	343
Influenza Pandemic	395	391
Pay to Stay	1,635	1,754
Jail Booking Fee	834	217
Public Shooting Range Grant		10,000
County Library	119,097	110,569
Communication Facility and Equipment	4,205	181
Emergency Medical Services	1,745	1,745
Newton County Fair Grant	10,500	
Administrative Office of the Court Grant	1,142	
	<u>\$</u>	<u>\$</u>
Total Other Funds in the Aggregate	1,425,016	562,694

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2008 and 2007:

	December 31, 2008	December 31, 2007
Long-Term Debt	\$ 149,574	\$ 186,753
Reappraisal Contract	102,480	204,960
Total Commitments	\$ 252,054	\$ 391,713

Long-Term Debt

Long-Term Debt at December 31, 2008 and 2007 is comprised of the following:

	December 31, 2008	December 31, 2007
Lease-purchase agreement with Bank Corp South for the purchase of a Volvo Motor Grader dated January 27, 2006; interest at 4.59%; to be paid in 72 monthly installments of \$2,172.	\$ 76,695	\$ 98,692
Lease-purchase agreement with Bank Corp South for the purchase of a Volvo Motor Grader dated March 15, 2007; interest at 4.59%; to be paid in 72 monthly installments of \$1,576.	72,879	88,061
Total Long-Term Debt	\$ 149,574	\$ 186,753

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

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Post Employment Benefits Other Than Pensions

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

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 9: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2008:

<u>Years Ending December 31,</u>	<u>Leases</u>
2009	\$ 44,976
2010	44,976
2011	44,976
2012	23,252
2013	<u>4,727</u>
Total Obligations	162,907
Less Interest	<u>13,333</u>
Total Principal	<u><u>\$ 149,574</u></u>

The County is obligated for the following amounts at December 31, 2007:

<u>Years Ending December 31,</u>	<u>Leases</u>
2008	\$ 44,976
2009	44,976
2010	44,976
2011	44,976
2012	23,252
2013 through 2017	<u>4,727</u>
Total Obligations	207,883
Less Interest	<u>21,130</u>
Total Principal	<u><u>\$ 186,753</u></u>

Reappraisal Contract

The County entered into a professional services contract for \$307,440 with Mack-Reynolds Appraisal Co. for real estate appraisal and reappraisal on January 3, 2007. Terms of the contract are monthly payments of \$8,540 for 36 months. The County is obligated for the following amounts for the next two years:

<u>Year</u>	<u>December 31, 2008</u>	<u>December 31, 2007</u>
2008		\$ 102,480
2009	<u>\$ 102,480</u>	<u>102,480</u>
Total	<u><u>\$ 102,480</u></u>	<u><u>\$ 204,960</u></u>

Reappraisal expense for 2008 and 2007 was \$102,480 and \$102,480, respectively.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 10: Interfund Transfers

2008 Interfund Transfers

The General Fund received a transfer of \$5 from the Public Shooting Range Grant Fund (Other Funds in the Aggregate) to reimburse for expenditures.

The County Road Fund received \$200,000 from the County Road Disaster Fund (Other Funds in the Aggregate) to reimburse for expenditures.

The Homeland Security Law Enforcement Grant Fund (Other Funds in the Aggregate) transferred \$2,055 to the Homeland Security Grant Fund (Other Funds in the Aggregate) to reimburse for expenditures.

2007 Interfund Transfers

The General Fund transferred \$4,366 to the Treasurer's Automation Fund (Other Funds in the Aggregate) to reimburse for expenditures.

The County Special Detention Fund (Other Funds in the Aggregate) and the Emergency Vehicle Fund (Other Funds in the Aggregate) transferred \$3,320 and \$3,411, respectively, to the General Fund to reimburse for expenditures.

NOTE 11: Jointly Governed Organization

Newton County paid the Northwest Arkansas Regional Solid Waste District d/b/a Nabors Hauling and Landfill \$32,229 and \$40,755 during 2008 and 2007, respectively. This District is a jointly governed organization comprised of representatives from Baxter, Boone, Carroll, Marion, Newton and Searcy Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity.

NOTE 12: 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.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 12: Risk Management (Continued)

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

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

Vehicle Program

A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.

B. Physical Damage - This program covers vehicles and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

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

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$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 \$1,000 deductible per occurrence.

NOTE 13: 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.

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2008

Schedule 1

SPECIAL REVENUE FUNDS						
	COUNTY ROAD DISASTER	CLERK'S RECORDER'S COST	JUDICIAL FINE CIRCUIT COURT	BOATING SAFETY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION ARKANSAS ENERGY GRANT	TREASURER'S AUTOMATION
ASSETS						
Cash and cash equivalents	\$ 798,025	\$ 11,366	\$ 2,812	\$ 5,969	\$ 4,759	\$ 24,286
Accounts receivable				77		
TOTAL ASSETS	\$ 798,025	\$ 11,366	\$ 2,812	\$ 6,046	\$ 4,759	\$ 24,286
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 14,944	\$ 1,197				\$ 379
Settlements pending						
Total Liabilities	14,944	1,197				379
Fund Balances:						
Reserved	783,081	10,169	\$ 2,812	\$ 6,046	\$ 4,759	23,907
TOTAL LIABILITIES AND FUND BALANCES	\$ 798,025	\$ 11,366	\$ 2,812	\$ 6,046	\$ 4,759	\$ 24,286

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2008

Schedule 1

	SPECIAL REVENUE FUNDS						
	CHILD SUPPORT COST	PUBLIC DEFENDER FEE	ELEVATOR GRANT	HISTORIC PRESERVATION GRANT	COUNTY ROAD SALES TAX MACHINERY	COUNTY ROAD SALES TAX MATCHING	COUNTY SPECIAL DETENTION
ASSETS							
Cash and cash equivalents	\$ 1,348	\$ 3,025	\$ 3	\$ 28	\$ 103,823	\$ 258,413	\$ 4,040
Accounts receivable					8,746	7,497	
TOTAL ASSETS	\$ 1,348	\$ 3,025	\$ 3	\$ 28	\$ 112,569	\$ 265,910	\$ 4,040
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 248						
Settlements pending							
Total Liabilities	248						
Fund Balances:							
Reserved	1,100	\$ 3,025	\$ 3	\$ 28	\$ 112,569	\$ 265,910	\$ 4,040
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,348	\$ 3,025	\$ 3	\$ 28	\$ 112,569	\$ 265,910	\$ 4,040

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2008

Schedule 1

SPECIAL REVENUE FUNDS

	DISTRICT COURT AUTOMATION	EMERGENCY VEHICLE	VICTIM WITNESS	SCHOOL RESOURCE OFFICER GRANT	COLLECTOR'S AUTOMATION	WEST NILE VIRUS	GAME AND FISH EDUCATION GRANT
ASSETS							
Cash and cash equivalents	\$ 1,574	\$ 290	\$ 19	\$ 545	\$ 48,270	\$ 6	\$ 655
Accounts receivable							
TOTAL ASSETS	<u>\$ 1,574</u>	<u>\$ 290</u>	<u>\$ 19</u>	<u>\$ 545</u>	<u>\$ 48,270</u>	<u>\$ 6</u>	<u>\$ 655</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Settlements pending							
Total Liabilities							
Fund Balances:							
Reserved	<u>\$ 1,574</u>	<u>\$ 290</u>	<u>\$ 19</u>	<u>\$ 545</u>	<u>\$ 48,270</u>	<u>\$ 6</u>	<u>\$ 655</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,574</u>	<u>\$ 290</u>	<u>\$ 19</u>	<u>\$ 545</u>	<u>\$ 48,270</u>	<u>\$ 6</u>	<u>\$ 655</u>

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2008

Schedule 1

	SPECIAL REVENUE FUNDS						
	HOMELAND SECURITY LAW ENFORCEMENT GRANT	HOMELAND SECURITY GRANT	ASSESSOR'S AMENDMENT NO. 79	HOMELAND SECURITY CITIZEN CORP	INFLUENZA PANDEMIC	PAY TO STAY	JAIL BOOKING FEE
ASSETS							
Cash and cash equivalents	\$ 3,337	\$ 4,008	\$ 5,499	\$ 3	\$ 395	\$ 1,635	\$ 834
Accounts receivable			3,808				
TOTAL ASSETS	\$ 3,337	\$ 4,008	\$ 9,307	\$ 3	\$ 395	\$ 1,635	\$ 834
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Settlements pending							
Total Liabilities							
Fund Balances:							
Reserved	\$ 3,337	\$ 4,008	\$ 9,307	\$ 3	\$ 395	\$ 1,635	\$ 834
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,337	\$ 4,008	\$ 9,307	\$ 3	\$ 395	\$ 1,635	\$ 834

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2008

Schedule 1

	SPECIAL REVENUE FUNDS					
	COUNTY LIBRARY	COMMUNICATION FACILITY AND EQUIPMENT	EMERGENCY MEDICAL SERVICES	NEWTON COUNTY FAIR GRANT	ADMINISTRATIVE OFFICE OF THE COURT GRANT	SOLID WASTE GRANT
ASSETS						
Cash and cash equivalents	\$ 121,699	\$ 4,205	\$ 1,745	\$ 10,500	\$ 1,142	\$ 11,661
Accounts receivable	539					
TOTAL ASSETS	<u>\$ 122,238</u>	<u>\$ 4,205</u>	<u>\$ 1,745</u>	<u>\$ 10,500</u>	<u>\$ 1,142</u>	<u>\$ 11,661</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,141					\$ 11,661
Settlements pending						
Total Liabilities	<u>3,141</u>					<u>11,661</u>
Fund Balances:						
Reserved	119,097	\$ 4,205	\$ 1,745	\$ 10,500	\$ 1,142	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 122,238</u>	<u>\$ 4,205</u>	<u>\$ 1,745</u>	<u>\$ 10,500</u>	<u>\$ 1,142</u>	<u>\$ 11,661</u>

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2008

Schedule 1

	AGENCY FUNDS						TOTALS
	TREASURER'S ACCOUNTS	COLLECTOR'S ACCOUNTS	SHERIFF'S ACCOUNTS	COUNTY AND CIRCUIT CLERK'S ACCOUNTS	DISTRICT COURT ACCOUNTS	COUNTY JUDGE'S ACCOUNT	
ASSETS							
Cash and cash equivalents	\$ 151,007	\$ 24,878	\$ 35,427	\$ 170,508	\$ 33,958	\$ 8,363	\$ 1,860,060
Accounts receivable							20,667
TOTAL ASSETS	<u>\$ 151,007</u>	<u>\$ 24,878</u>	<u>\$ 35,427</u>	<u>\$ 170,508</u>	<u>\$ 33,958</u>	<u>\$ 8,363</u>	<u>\$ 1,880,727</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 31,570
Settlements pending	\$ 151,007	\$ 24,878	\$ 35,427	\$ 170,508	\$ 33,958	\$ 8,363	424,141
Total Liabilities	<u>151,007</u>	<u>24,878</u>	<u>35,427</u>	<u>170,508</u>	<u>33,958</u>	<u>8,363</u>	<u>455,711</u>
Fund Balances:							
Reserved							<u>1,425,016</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 151,007</u>	<u>\$ 24,878</u>	<u>\$ 35,427</u>	<u>\$ 170,508</u>	<u>\$ 33,958</u>	<u>\$ 8,363</u>	<u>\$ 1,880,727</u>

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	COUNTY ROAD DISASTER	COUNTY COMMUNITY MATCHING GRANT	CLERK'S RECORDER'S COST	JUDICIAL FINE CIRCUIT COURT	BOATING SAFETY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION ARKANSAS ENERGY GRANT	TREASURER'S AUTOMATION
REVENUES							
State aid					\$ 855		
Federal aid	\$ 1,517,123						
Property taxes							
Sales taxes							
Fines, forfeitures and costs							
Interest			\$ 345	\$ 78	201	\$ 135	\$ 494
Officers' fees			15,723	78			
Treasurer's commission							10,080
Collector's commission							
Other							
TOTAL REVENUES	1,517,123		16,068	156	1,056	135	10,574
Less: Treasurer's commission	<u>30,342</u>		<u>321</u>	<u>3</u>	<u>20</u>		
NET REVENUES	1,486,781		15,747	153	1,036	135	10,574
EXPENDITURES							
Current:							
General government		\$ 388	11,080				8,167
Law enforcement					3,558		
Highways and streets	581,748						
Recreation and culture							
Total Current	<u>581,748</u>	<u>388</u>	<u>11,080</u>		<u>3,558</u>		<u>8,167</u>
Debt Service:							
Lease principal							
Lease interest							
TOTAL EXPENDITURES	581,748	388	11,080		3,558		8,167
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>905,033</u>	<u>(388)</u>	<u>4,667</u>	<u>153</u>	<u>(2,522)</u>	<u>135</u>	<u>2,407</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out	<u>(200,000)</u>						
TOTAL OTHER FINANCING SOURCES (USES)	(200,000)						

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	COUNTY ROAD DISASTER	COUNTY COMMUNITY MATCHING GRANT	CLERK'S RECORDER'S COST	JUDICIAL FINE CIRCUIT COURT	BOATING SAFETY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION ARKANSAS ENERGY GRANT	TREASURER'S AUTOMATION
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 705,033	\$ (388)	\$ 4,667	\$ 153	\$ (2,522)	\$ 135	\$ 2,407
FUND BALANCES - JANUARY 1	78,048	388	5,502	2,659	8,568	4,624	21,500
FUND BALANCES - DECEMBER 31	<u>\$ 783,081</u>	<u>\$ 0</u>	<u>\$ 10,169</u>	<u>\$ 2,812</u>	<u>\$ 6,046</u>	<u>\$ 4,759</u>	<u>\$ 23,907</u>

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	CHILD SUPPORT COST	PUBLIC DEFENDER FEE	ELEVATOR GRANT	HISTORIC PRESERVATION GRANT	COUNTY ROAD SALES TAX MACHINERY	COUNTY ROAD SALES TAX MATCHING	COUNTY SPECIAL DETENTION
REVENUES							
State aid							
Federal aid							
Property taxes							
Sales taxes					\$ 122,446	\$ 104,954	
Fines, forfeitures and costs							\$ 4,892
Interest	\$ 114				1,782	5,634	70
Officers' fees	1,700						
Treasurer's commission							
Collector's commission							
Other							
TOTAL REVENUES	1,814				124,228	110,588	4,962
Less: Treasurer's commission	36				2,448	2,181	99
NET REVENUES	1,778				121,780	108,407	4,863
EXPENDITURES							
Current:							
General government	4,092						
Law enforcement							834
Highways and streets					89,000		
Recreation and culture							
Total Current	4,092				89,000		834
Debt Service:							
Lease principal					12,204		
Lease interest					2,788		
TOTAL EXPENDITURES	4,092				103,992		834
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,314)				17,788	108,407	4,029
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)							

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	CHILD SUPPORT COST	PUBLIC DEFENDER FEE	ELEVATOR GRANT	HISTORIC PRESERVATION GRANT	COUNTY ROAD SALES TAX MACHINERY	COUNTY ROAD SALES TAX MATCHING	COUNTY SPECIAL DETENTION
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (2,314)				\$ 17,788	\$ 108,407	\$ 4,029
FUND BALANCES - JANUARY 1	3,414	\$ 3,025	\$ 3	\$ 28	94,781	157,503	11
FUND BALANCES - DECEMBER 31	\$ 1,100	\$ 3,025	\$ 3	\$ 28	\$ 112,569	\$ 265,910	\$ 4,040

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	DISTRICT COURT AUTOMATION	EMERGENCY VEHICLE	VICTIM WITNESS	SCHOOL RESOURCE OFFICER GRANT	COLLECTOR'S AUTOMATION		
REVENUES							
State aid							\$ 655
Federal aid							
Property taxes							
Sales taxes							
Fines, forfeitures and costs	\$ 920						
Interest	87	\$ 21	\$ 1		\$ 1,111		
Officers' fees							
Treasurer's commission						10,844	
Collector's commission							
Other							
TOTAL REVENUES	1,007	21	1		11,955		655
Less: Treasurer's commission	20				22		
NET REVENUES	987	21	1		11,933		655
EXPENDITURES							
Current:							
General government					3,249		1,820
Law enforcement	3,743	443					
Highways and streets							
Recreation and culture							
Total Current	3,743	443			3,249		1,820
Debt Service:							
Lease principal							
Lease interest							
TOTAL EXPENDITURES	3,743	443			3,249		1,820
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,756)	(422)	1		8,684		(1,165)
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)							

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	DISTRICT COURT AUTOMATION	EMERGENCY VEHICLE	VICTIM WITNESS	SCHOOL RESOURCE OFFICER GRANT	COLLECTOR'S AUTOMATION	WEST NILE VIRUS	GAME AND FISH EDUCATION GRANT
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (2,756)	\$ (422)	\$ 1		\$ 8,684		\$ (1,165)
FUND BALANCES - JANUARY 1	<u>4,330</u>	<u>712</u>	<u>18</u>	<u>\$ 545</u>	<u>39,586</u>	<u>\$ 6</u>	<u>1,820</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,574</u>	<u>\$ 290</u>	<u>\$ 19</u>	<u>\$ 545</u>	<u>\$ 48,270</u>	<u>\$ 6</u>	<u>\$ 655</u>

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	HOMELAND SECURITY LAW ENFORCEMENT GRANT	HOMELAND SECURITY GRANT	ASSESSOR'S AMENDMENT NO. 79	HOMELAND SECURITY CITIZEN CORP	INFLUENZA PANDEMIC	PAY TO STAY	JAIL BOOKING FEE
REVENUES							
State aid			\$ 3,808				
Federal aid	\$ 16,491	\$ 19,685					
Property taxes							
Sales taxes							
Fines, forfeitures and costs						\$ 5,047	\$ 615
Interest	58	51	227	\$ 3	\$ 4	75	15
Officers' fees							
Treasurer's commission							
Collector's commission							
Other							
TOTAL REVENUES	16,549	19,736	4,035	3	4	5,122	630
Less: Treasurer's commission			82			102	13
NET REVENUES	16,549	19,736	3,953	3	4	5,020	617
EXPENDITURES							
Current:							
General government			2,509	343			
Law enforcement	13,193	18,307				5,139	
Highways and streets							
Recreation and culture							
Total Current	13,193	18,307	2,509	343		5,139	
Debt Service:							
Lease principal							
Lease interest							
TOTAL EXPENDITURES	13,193	18,307	2,509	343		5,139	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,356	1,429	1,444	(340)	4	(119)	617
OTHER FINANCING SOURCES (USES)							
Transfers in		2,055					
Transfers out	(2,055)						
TOTAL OTHER FINANCING SOURCES (USES)	(2,055)	2,055					

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS						
	HOMELAND SECURITY LAW ENFORCEMENT GRANT	HOMELAND SECURITY GRANT	ASSESSOR'S AMENDMENT NO. 79	HOMELAND SECURITY CITIZEN CORP	INFLUENZA PANDEMIC	PAY TO STAY	JAIL BOOKING FEE
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1,301	\$ 3,484	\$ 1,444	\$ (340)	\$ 4	\$ (119)	\$ 617
FUND BALANCES - JANUARY 1	2,036	524	7,863	343	391	1,754	217
FUND BALANCES - DECEMBER 31	<u>\$ 3,337</u>	<u>\$ 4,008</u>	<u>\$ 9,307</u>	<u>\$ 3</u>	<u>\$ 395</u>	<u>\$ 1,635</u>	<u>\$ 834</u>

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS							TOTALS
	PUBLIC SHOOTING RANGE GRANT	COUNTY LIBRARY	COMMUNICATION FACILITY AND EQUIPMENT	EMERGENCY MEDICAL SERVICES	NEWTON COUNTY FAIR GRANT	ADMINISTRATIVE OFFICE OF THE COURT GRANT	SOLID WASTE GRANT	
REVENUES								
State aid		\$ 49,442			\$ 10,500	\$ 5,606	\$ 15,000	\$ 85,866
Federal aid								1,553,299
Property taxes		45,614						45,614
Sales taxes								227,400
Fines, forfeitures and costs								11,474
Interest		3,646	\$ 2			104	287	14,545
Officers' fees			4,919					22,420
Treasurer's commission								10,080
Collector's commission								10,844
Other		9,065	2,480					11,545
TOTAL REVENUES		107,767	7,401		10,500	5,710	15,287	1,993,087
Less: Treasurer's commission		1,950						37,639
NET REVENUES		105,817	7,401		10,500	5,710	15,287	1,955,448
EXPENDITURES								
Current:								
General government	\$ 9,995						15,287	56,930
Law enforcement			3,377			4,568		53,162
Highways and streets								670,748
Recreation and culture		97,289						97,289
Total Current	9,995	97,289	3,377			4,568	15,287	878,129
Debt Service:								
Lease principal								12,204
Lease interest								2,788
TOTAL EXPENDITURES	9,995	97,289	3,377			4,568	15,287	893,121
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,995)	8,528	4,024		10,500	1,142		1,062,327
OTHER FINANCING SOURCES (USES)								
Transfers in								2,055
Transfers out	(5)							(202,060)
TOTAL OTHER FINANCING SOURCES (USES)	(5)							(200,005)

NEWTON 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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS							
	PUBLIC SHOOTING RANGE GRANT	COUNTY LIBRARY	COMMUNICATION FACILITY AND EQUIPMENT	EMERGENCY MEDICAL SERVICES	NEWTON COUNTY FAIR GRANT	ADMINISTRATIVE OFFICE OF THE COURT GRANT	SOLID WASTE GRANT	TOTALS
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (10,000)	\$ 8,528	\$ 4,024		\$ 10,500	\$ 1,142		\$ 862,322
FUND BALANCES - JANUARY 1	10,000	110,569	181	\$ 1,745				562,694
FUND BALANCES - DECEMBER 31	<u>\$ 0</u>	<u>\$ 119,097</u>	<u>\$ 4,205</u>	<u>\$ 1,745</u>	<u>\$ 10,500</u>	<u>\$ 1,142</u>	<u>\$ 0</u>	<u>\$ 1,425,016</u>

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 3

	SPECIAL REVENUE FUNDS						
	COUNTY ROAD DISASTER	COUNTY COMMUNITY MATCHING GRANT	CLERK'S RECORDER'S COST	JUDICIAL FINE CIRCUIT COURT	BOATING SAFETY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION ARKANSAS ENERGY GRANT	TREASURER'S AUTOMATION
ASSETS							
Cash and cash equivalents	\$ 105,976	\$ 388	\$ 6,072	\$ 2,659	\$ 8,532	\$ 4,624	\$ 21,586
Accounts receivable					36		
TOTAL ASSETS	<u>\$ 105,976</u>	<u>\$ 388</u>	<u>\$ 6,072</u>	<u>\$ 2,659</u>	<u>\$ 8,568</u>	<u>\$ 4,624</u>	<u>\$ 21,586</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 27,928		\$ 570				\$ 86
Settlements pending							
Total Liabilities	<u>27,928</u>		<u>570</u>				<u>86</u>
Fund Balances:							
Reserved	78,048	\$ 388	5,502	\$ 2,659	\$ 8,568	\$ 4,624	21,500
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 105,976</u>	<u>\$ 388</u>	<u>\$ 6,072</u>	<u>\$ 2,659</u>	<u>\$ 8,568</u>	<u>\$ 4,624</u>	<u>\$ 21,586</u>

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 3

	SPECIAL REVENUE FUNDS						
	CHILD SUPPORT COST	PUBLIC DEFENDER FEE	ELEVATOR GRANT	HISTORIC PRESERVATION GRANT	COUNTY ROAD SALES TAX MACHINERY	COUNTY ROAD SALES TAX MATCHING	COUNTY SPECIAL DETENTION
ASSETS							
Cash and cash equivalents	\$ 3,414	\$ 3,025	\$ 3	\$ 28	\$ 87,837	\$ 153,930	\$ 11
Accounts receivable					6,944	5,952	
TOTAL ASSETS	\$ 3,414	\$ 3,025	\$ 3	\$ 28	\$ 94,781	\$ 159,882	\$ 11
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable						\$ 2,379	
Settlements pending							
Total Liabilities						<u>2,379</u>	
Fund Balances:							
Reserved	\$ 3,414	\$ 3,025	\$ 3	\$ 28	\$ 94,781	157,503	\$ 11
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,414	\$ 3,025	\$ 3	\$ 28	\$ 94,781	\$ 159,882	\$ 11

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 3

	SPECIAL REVENUE FUNDS						
	DISTRICT COURT AUTOMATION	EMERGENCY VEHICLE	VICTIM WITNESS	SCHOOL RESOURCE OFFICER GRANT	COLLECTOR'S AUTOMATION	WEST NILE VIRUS	GAME AND FISH EDUCATION GRANT
ASSETS							
Cash and cash equivalents	\$ 4,330	\$ 712	\$ 18	\$ 545	\$ 44,469	\$ 6	\$ 1,820
Accounts receivable							
TOTAL ASSETS	\$ 4,330	\$ 712	\$ 18	\$ 545	\$ 44,469	\$ 6	\$ 1,820
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable					\$ 4,883		
Settlements pending							
Total Liabilities					4,883		
Fund Balances:							
Reserved	\$ 4,330	\$ 712	\$ 18	\$ 545	39,586	\$ 6	\$ 1,820
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,330	\$ 712	\$ 18	\$ 545	\$ 44,469	\$ 6	\$ 1,820

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 3

	SPECIAL REVENUE FUNDS					
	HOMELAND SECURITY LAW ENFORCEMENT GRANT	HOMELAND SECURITY GRANT	ASSESSOR'S AMENDMENT NO. 79	HOMELAND SECURITY CITIZEN CORP	INFLUENZA PANDEMIC	PAY TO STAY
ASSETS						
Cash and cash equivalents	\$ 2,036	\$ 524	\$ 3,979	\$ 343	\$ 391	\$ 1,754
Accounts receivable			3,884			
TOTAL ASSETS	\$ 2,036	\$ 524	\$ 7,863	\$ 343	\$ 391	\$ 1,754
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Settlements pending						
Total Liabilities						
Fund Balances:						
Reserved	\$ 2,036	\$ 524	\$ 7,863	\$ 343	\$ 391	\$ 1,754
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,036	\$ 524	\$ 7,863	\$ 343	\$ 391	\$ 1,754

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 3

	SPECIAL REVENUE FUNDS				
	JAIL BOOKING FEE	PUBLIC SHOOTING RANGE GRANT	COUNTY LIBRARY	COMMUNICATION FACILITY AND EQUIPMENT	EMERGENCY MEDICAL SERVICES
ASSETS					
Cash and cash equivalents	\$ 217	\$ 10,000	\$ 112,448	\$ 181	\$ 1,745
Accounts receivable			379		
TOTAL ASSETS	\$ 217	\$ 10,000	\$ 112,827	\$ 181	\$ 1,745
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable			\$ 2,258		
Settlements pending					
Total Liabilities			2,258		
Fund Balances:					
Reserved	\$ 217	\$ 10,000	110,569	\$ 181	\$ 1,745
TOTAL LIABILITIES AND FUND BALANCES	\$ 217	\$ 10,000	\$ 112,827	\$ 181	\$ 1,745

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 3

	AGENCY FUNDS						
	TREASURER'S ACCOUNTS	COLLECTOR'S ACCOUNTS	SHERIFF'S ACCOUNTS	COUNTY AND CIRCUIT CLERK'S ACCOUNTS	DISTRICT COURT ACCOUNTS	COUNTY JUDGE'S ACCOUNT	TOTALS
ASSETS							
Cash and cash equivalents	\$ 149,895	\$ 18,758	\$ 87,289	\$ 58,587	\$ 31,485	\$ 8,629	\$ 938,246
Accounts receivable							17,195
TOTAL ASSETS	\$ 149,895	\$ 18,758	\$ 87,289	\$ 58,587	\$ 31,485	\$ 8,629	\$ 955,441
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 38,104
Settlements pending	\$ 149,895	\$ 18,758	\$ 87,289	\$ 58,587	\$ 31,485	\$ 8,629	354,643
Total Liabilities	149,895	18,758	87,289	58,587	31,485	8,629	392,747
Fund Balances:							
Reserved							562,694
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,895	\$ 18,758	\$ 87,289	\$ 58,587	\$ 31,485	\$ 8,629	\$ 955,441

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS							
	COUNTY ROAD DISASTER	COUNTY COMMUNITY MATCHING GRANT	CLERK'S RECORDER'S COST	JUDICIAL FINE CIRCUIT COURT	BOATING SAFETY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION ARKANSAS ENERGY GRANT	AMERICANS WITH DISABILITIES GRANT	TREASURER'S AUTOMATION
REVENUES								
State aid	\$ 50,000				\$ 897		\$ 1,385	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures and costs								
Interest			\$ 291	\$ 82	294	\$ 141		\$ 447
Officers' fees			12,723	18				
Treasurer's commission								7,153
Collector's commission								
Other						4,386		
TOTAL REVENUES	50,000		13,014	100	1,191	4,527	1,385	7,600
Less: Treasurer's commission	1,000		260	2	23			
NET REVENUES	49,000		12,754	98	1,168	4,527	1,385	7,600
EXPENDITURES								
Current:								
General government		\$ 694	13,108				1,385	8,829
Law enforcement					2,003			
Highways and streets	37,652							
Recreation and culture								
Total Current	37,652	694	13,108		2,003		1,385	8,829
Debt Service:								
Lease principal								
Lease interest								
TOTAL EXPENDITURES	37,652	694	13,108		2,003		1,385	8,829
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,348	(694)	(354)	98	(835)	4,527	0	(1,229)
OTHER FINANCING SOURCES (USES)								
Transfers in								4,366
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)								4,366

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS							
	COUNTY ROAD DISASTER	COUNTY COMMUNITY MATCHING GRANT	CLERK'S RECORDER'S COST	JUDICIAL FINE CIRCUIT COURT	BOATING SAFETY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION ARKANSAS ENERGY GRANT	AMERICANS WITH DISABILITIES GRANT	TREASURER'S AUTOMATION
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 11,348	\$ (694)	\$ (354)	\$ 98	\$ (835)	\$ 4,527		\$ 3,137
FUND BALANCES - JANUARY 1	66,700	1,082	5,856	2,561	9,403	97		18,363
FUND BALANCES - DECEMBER 31	<u>\$ 78,048</u>	<u>\$ 388</u>	<u>\$ 5,502</u>	<u>\$ 2,659</u>	<u>\$ 8,568</u>	<u>\$ 4,624</u>	<u>\$ 0</u>	<u>\$ 21,500</u>

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS						
	CHILD SUPPORT COST	PUBLIC DEFENDER FEE	ELEVATOR GRANT	HISTORIC PRESERVATION GRANT	COUNTY ROAD SALES TAX MACHINERY	COUNTY ROAD SALES TAX MATCHING	COUNTY SPECIAL DETENTION
REVENUES							
State aid							
Federal aid							
Property taxes							
Sales taxes					\$ 111,213	\$ 95,325	
Fines, forfeitures and costs							\$ 4,085
Interest	\$ 106				2,090	4,040	51
Officers' fees							
Treasurer's commission							
Collector's commission							
Other							100
TOTAL REVENUES	106				113,303	99,365	4,236
Less: Treasurer's commission	2				2,127	1,868	85
NET REVENUES	104				111,176	97,497	4,151
EXPENDITURES							
Current:							
General government							
Law enforcement							2,778
Highways and streets					51,807	65,557	
Recreation and culture							
Total Current					51,807	65,557	2,778
Debt Service:							
Lease principal					23,313		
Lease interest					6,074		
TOTAL EXPENDITURES					81,194	65,557	2,778
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	104				29,982	31,940	1,373
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							(3,320)
TOTAL OTHER FINANCING SOURCES (USES)							(3,320)

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS						
	CHILD SUPPORT COST	PUBLIC DEFENDER FEE	ELEVATOR GRANT	HISTORIC PRESERVATION GRANT	COUNTY ROAD SALES TAX MACHINERY	COUNTY ROAD SALES TAX MATCHING	COUNTY SPECIAL DETENTION
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 104				\$ 29,982	\$ 31,940	\$ (1,947)
FUND BALANCES - JANUARY 1	3,310	\$ 3,025	\$ 3	\$ 28	64,799	125,563	1,958
FUND BALANCES - DECEMBER 31	\$ 3,414	\$ 3,025	\$ 3	\$ 28	\$ 94,781	\$ 157,503	\$ 11

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS							
	DISTRICT COURT AUTOMATION	EMERGENCY VEHICLE	VICTIM WITNESS	UPPER BUFFALO LAW ENFORCEMENT CENTER	SCHOOL RESOURCE OFFICER GRANT	COLLECTOR'S AUTOMATION	WEST NILE VIRUS	GAME AND FISH EDUCATION GRANT
REVENUES								
State aid								\$ 1,820
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures and costs	\$ 1,886							
Interest	108	\$ 147	\$ 1			\$ 1,036		
Officers' fees								
Treasurer's commission								
Collector's commission						10,356		
Other						9,859		
TOTAL REVENUES	1,994	147	1			21,251		1,820
Less: Treasurer's commission	40	3				21		
NET REVENUES	1,954	144	1			21,230		1,820
EXPENDITURES								
Current:								
General government				\$ 2,134		6,465		1,820
Law enforcement		2,883						
Highways and streets								
Recreation and culture								
Total Current		2,883		2,134		6,465		1,820
Debt Service:								
Lease principal								
Lease interest								
TOTAL EXPENDITURES		2,883		2,134		6,465		1,820
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,954	(2,739)	1	(2,134)		14,765		
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out		(3,411)						
TOTAL OTHER FINANCING SOURCES (USES)		(3,411)						

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS							
	DISTRICT COURT AUTOMATION	EMERGENCY VEHICLE	VICTIM WITNESS	UPPER BUFFALO LAW ENFORCEMENT CENTER	SCHOOL RESOURCE OFFICER GRANT	COLLECTOR'S AUTOMATION	WEST NILE VIRUS	GAME AND FISH EDUCATION GRANT
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1,954	\$ (6,150)	\$ 1	\$ (2,134)		\$ 14,765		
FUND BALANCES - JANUARY 1	<u>2,376</u>	<u>6,862</u>	<u>17</u>	<u>2,134</u>	<u>\$ 545</u>	<u>24,821</u>	<u>\$ 6</u>	<u>\$ 1,820</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 4,330</u></u>	<u><u>\$ 712</u></u>	<u><u>\$ 18</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 545</u></u>	<u><u>\$ 39,586</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ 1,820</u></u>

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS						
	HOMELAND SECURITY LAW ENFORCEMENT GRANT	HOMELAND SECURITY GRANT	ASSESSOR'S AMENDMENT NO. 79	HOMELAND SECURITY CITIZEN CORP	INFLUENZA PANDEMIC	PAY TO STAY	JAIL BOOKING FEE
REVENUES							
State aid			\$ 7,077		\$ 1,641		
Federal aid	\$ 25,527	\$ 20,868					
Property taxes							
Sales taxes							
Fines, forfeitures and costs						\$ 1,780	\$ 220
Interest			154			10	1
Officers' fees							
Treasurer's commission							
Collector's commission							
Other							
TOTAL REVENUES	25,527	20,868	7,231		1,641	1,790	221
Less: Treasurer's commission			67			36	4
NET REVENUES	25,527	20,868	7,164		1,641	1,754	217
EXPENDITURES							
Current:							
General government			1,486		1,250		
Law enforcement	23,491	20,868					
Highways and streets							
Recreation and culture							
Total Current	23,491	20,868	1,486		1,250		
Debt Service:							
Lease principal							
Lease interest							
TOTAL EXPENDITURES	23,491	20,868	1,486		1,250		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,036	0	5,678		391	1,754	217
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)							

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS						
	HOMELAND SECURITY LAW ENFORCEMENT GRANT	HOMELAND SECURITY GRANT	ASSESSOR'S AMENDMENT NO. 79	HOMELAND SECURITY CITIZEN CORP	INFLUENZA PANDEMIC	PAY TO STAY	JAIL BOOKING FEE
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 2,036		\$ 5,678		\$ 391	\$ 1,754	\$ 217
FUND BALANCES - JANUARY 1		\$ 524	2,185	\$ 343			
FUND BALANCES - DECEMBER 31	\$ 2,036	\$ 524	\$ 7,863	\$ 343	\$ 391	\$ 1,754	\$ 217

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS				TOTALS
	PUBLIC SHOOTING RANGE GRANT	COUNTY LIBRARY	COMMUNICATION FACILITY AND EQUIPMENT	EMERGENCY MEDICAL SERVICES	
REVENUES					
State aid	\$ 10,000	\$ 43,847			\$ 116,667
Federal aid					46,395
Property taxes		44,053			44,053
Sales taxes					206,538
Fines, forfeitures and costs					7,971
Interest		4,144	\$ 5		13,148
Officers' fees			3,480		16,221
Treasurer's commission					7,153
Collector's commission					10,356
Other		8,053	2,615		25,013
TOTAL REVENUES	10,000	100,097	6,100		493,515
Less: Treasurer's commission		1,804			7,342
NET REVENUES	10,000	98,293	6,100		486,173
EXPENDITURES					
Current:					
General government					37,171
Law enforcement			8,479		60,502
Highways and streets					155,016
Recreation and culture		87,944			87,944
Total Current		87,944	8,479		340,633
Debt Service:					
Lease principal					23,313
Lease interest					6,074
TOTAL EXPENDITURES		87,944	8,479		370,020
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,000	10,349	(2,379)		116,153
OTHER FINANCING SOURCES (USES)					
Transfers in					4,366
Transfers out					(6,731)
TOTAL OTHER FINANCING SOURCES (USES)					(2,365)

NEWTON 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, 2007

Schedule 4

	SPECIAL REVENUE FUNDS				TOTALS
	PUBLIC SHOOTING RANGE GRANT	COUNTY LIBRARY	COMMUNICATION FACILITY AND EQUIPMENT	EMERGENCY MEDICAL SERVICES	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 10,000	\$ 10,349	\$ (2,379)		\$ 113,788
FUND BALANCES - JANUARY 1		100,220	2,560	\$ 1,745	448,906
FUND BALANCES - DECEMBER 31	<u>\$ 10,000</u>	<u>\$ 110,569</u>	<u>\$ 181</u>	<u>\$ 1,745</u>	<u>\$ 562,694</u>

NEWTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1, 2, 3 AND 4
 FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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

Fund Name	Fund Description
County Road Disaster	Fund established to account for Federal Emergency Management Funds received for disaster relief.
County Community Matching Grant	Fund established to account for state grant proceeds received for the Compton Fire Department.
Clerk's Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by County Clerks to be used for automated record systems and any legitimate county purpose.
Judicial Fine Circuit Court (Juvenile Probation)	Ark. Code Ann. § 16-13-326 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
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.
Arkansas Industrial Development Commission - Arkansas Energy Grant	Fund established to account for grant proceeds for courthouse renovations.
Americans With Disabilities Grant	Fund established to account for federal grant proceeds for remodeling and repair of the Newton County Clerk's office. (Closed in 2007)
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.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's Office.
Public Defender Fee	Ark. Code Ann. § 17-19-301 authorized a bail bond fee of twenty dollars (\$20) to be collected, which shall all be remitted to the Arkansas Public Defender Commission. Three dollars (\$3) of each fee is remitted back to the county "Public Defender User Fees" quarterly to be used to defray the operating expenses of the public defender office.
Elevator Grant	Fund established to account for grant proceeds for the construction of an elevator in the Newton County Courthouse.
Historic Preservation Grant	Fund established to account for grant proceeds dealing with the historic preservation of the Newton County Courthouse.
County Road Sales Tax Machinery	County Ordinance No. 92-45 established the Fund to account for Sales Tax Funds received for the purchase of machinery.
County Road Sales Tax Matching	County Ordinance No. 92-45 established the Fund to account for Sales Tax Funds received for matching purposes.
County Special Detention	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$5.00. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.

NEWTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1, 2, 3 AND 4
 FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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

Fund Name	Fund Description
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive District Court installment fees of 1/2 of \$5 per month on each person to be used for court related technology.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to receive the fine for failure to license motor vehicles to be used for the purchase and maintenance of rescue, emergency medical and law enforcement vehicles.
Victim Witness	Ark. Code Ann. § 16-21-151 established fund to receive court cost levied to be used by Prosecuting Attorney for operating victim/witness program.
Upper Buffalo Law Enforcement Center	Fund established to account for grant proceeds for construction of the Upper Buffalo Elk Information and Law Enforcement Center. (Closed in 2007).
School Resource Officer Grant	Fund established to account for federal grant proceeds for school resource officers.
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.
West Nile Virus	Account established to account for federal grant received for the West Nile Virus eradication.
Game and Fish Education Grant	Fund established to account for revenues received from the Game and Fish Commission under Ark. Code Ann. §§ 6-16-1101, 15-14-206 for conservation education programs.
Homeland Security Law Enforcement Grant	Fund established to account for Federal grant proceeds received from Arkansas Department of Emergency Management for the purpose of purchasing equipment.
Homeland Security Grant	Fund established to account for Federal grant proceeds received from Arkansas Department of Emergency Management for the purpose of purchasing equipment.
Assessor's Amendment No. 79	Ark. Code Ann. § 26-26-310 provides that one percent (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.
Homeland Security Citizen Corp	Fund established to account for Federal grant proceeds received from Arkansas Department of Emergency Management for the purpose of purchasing equipment.
Influenza Pandemic	Fund established to expend Federal grant monies received for pandemic planning activities.
Pay To Stay	Ark. Code Ann. § 12-41-505 established fund to account for costs received from individuals convicted of criminal offenses to pay for their transportation to jail and incarceration.
Jail Booking Fee	Ark. Code Ann. § 12-41-505 established fund to account for booking and administration fees of \$20 received to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility

NEWTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1, 2, 3 AND 4
 FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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

Fund Name	Fund Description
Public Shooting Range Grant	Fund established to account for state grant proceeds from the Arkansas Game and Fish Commission for a public shooting range.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for Library property tax millage levied by the Quorum Court.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Emergency Medical Services	Fund maintained by the Emergency Medical Services Board for use in future building and maintenance projects.
Newton County Fair Grant	Fund established to account for state grants received for the purpose of County fair improvements.
Administrative Office of the Court Grant	Fund established to account for grants received from the Administrative Office of the Courts established by Ark. Code Ann. § 16-10-1001.
Solid Waste Grant	Fund established to account for grant proceeds received from the State of Arkansas to be used for the purchase of equipment.

County Judge's account consist primarily of solid waste fees collected awaiting settlement to the County.
 Treasurer's accounts consist primarily of money collected within the County awaiting settlement to outside entities.
 Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.
 Sheriff's accounts consist primarily of fees settlement, bond and seized money.
 County and Circuit Clerk's accounts consist primarily of trust money awaiting disposition by the applicable court.
 District Court Accounts consist primarily of fines and costs net yet distributed to the County and/or state.

NEWTON COUNTY, ARKANSAS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2008 AND 2007
 (Unaudited)

Schedule 5

	December 31, 2008	December 31, 2007
Land	\$ 2,000	\$ 2,000
Buildings	712,146	712,146
Equipment	2,473,160	2,391,517
Total	\$ 3,187,306	\$ 3,105,663

NEWTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST TWO YEARS - REGULATORY BASIS
 DECEMBER 31, 2008
 (Unaudited)

Schedule 6

<u>General</u>	2008	2007
Total Assets	\$ 821,448	\$ 568,829
Total Liabilities	79,507	64,995
Total Fund Balances	741,941	503,834
Net Revenues	1,749,919	1,781,264
Total Expenditures	1,511,817	1,794,660
<u>Road</u>		
Total Assets	99,068	71,523
Total Liabilities	24,253	7,232
Total Fund Balances	74,815	64,291
Net Revenues	1,091,195	1,174,146
Total Expenditures	1,280,671	1,113,311
<u>Other Funds in the Aggregate</u>		
Total Assets	1,880,727	955,441
Total Liabilities	455,711	392,747
Total Fund Balances	1,425,016	562,694
Net Revenues	1,955,448	486,173
Total Expenditures	893,121	370,020

The financial statements are prepared on the regulatory basis of accounting as reported in Note 1(C) of the audit reports.