

Monroe County, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



MONROE COUNTY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2020

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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Rep. Nelda Speaks
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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

A priority of Arkansas Legislative Audit is to assist county government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of county governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Monroe County, Arkansas, as of and for the year ended December 31, 2020, and have issued our report thereon dated April 25, 2022. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relates to the following officials who held office during 2020:

County Judge: Larry Taylor
Treasurer/ Tax Collector: Steve Mitchell
Sheriff: Michael Neal
County Clerk: Tina Wofford
Circuit Clerk: Alice Smith
Assessor: Renee Neal
County Librarian: David Brown

We evaluated the County's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the offices of **County Judge, Treasurer/ Tax Collector, and Sheriff.**

County Judge

The County paid \$2,000 to the widow of a Justice of the Peace, who died in 2020 while in office, in accordance with Monroe County Ordinance no. 398 (February 9, 2009) and Monroe County Resolution no. 2020-04 (September 14, 2020). However, the Ordinance conflicts with Ark. Code Ann. § 14-14-1205, as interpreted by Op. Att'y Gen. no. 2016-072. Additionally, the payment is in noncompliance with Ark. Const. art. 12, § 5 and Op. Att'y Gen. no. 2016-072.

Treasurer/ Tax Collector

The Treasurer/Collector's bank accounts were under collateralized by \$647,504 (11% of total deposits) in December 2020 and \$2,168,746 (30% of total deposits) in October 2020, in noncompliance with Ark. Code Ann. § 19-8-107.

Sheriff

The balance remaining in the Commissary bank account of \$4,786 was not identified. A similar finding was issued in the previous report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
April 25, 2022
LOCO04820

MONROE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,480,991	\$ 4,027,041	\$ 1,432,343
Accounts receivable	30,822		12,754
Interfund receivables			22,393
	<u>1,511,813</u>	<u>4,027,041</u>	<u>1,467,490</u>
TOTAL ASSETS	<u>\$ 1,511,813</u>	<u>\$ 4,027,041</u>	<u>\$ 1,467,490</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 20,428	\$ 10,005	\$ 4,232
Interfund payables	22,393		
Settlements pending	80,750		213,611
Total Liabilities	<u>123,571</u>	<u>10,005</u>	<u>217,843</u>
Fund Balances:			
Restricted		4,017,036	1,249,647
Unassigned	1,388,242		
Total Fund Balances	<u>1,388,242</u>	<u>4,017,036</u>	<u>1,249,647</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,511,813</u>	<u>\$ 4,027,041</u>	<u>\$ 1,467,490</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 327,336	\$ 1,139,737	\$ 68,550
Federal aid	369,084	45,977	1,156
Property taxes	520,410	273,882	45,016
Fines, forfeitures, and costs	285,897		50,004
Interest	1,574	19,528	2,136
Officers' fees	21,946		43,580
Jail fees	61,524		3,385
911 fees			211,981
Rent	37,664		
Commissary profit			10,657
Donations			7,500
Treasurer's commission	41,413		7,311
Collector's commission	131,788		22,393
Taxes apportioned - Assessor's salary and expense	158,807		
Other	38,477	5,757	2,230
TOTAL REVENUES	1,995,920	1,484,881	475,899
Less: Treasurer's commission	16,427	29,145	7,182
NET REVENUES	1,979,493	1,455,736	468,717
EXPENDITURES			
Current:			
General government	802,997		101,590
Law enforcement	904,380		69,688
Highways and streets		990,875	
Public safety	25,295		164,097
Health	24,703		
Recreation and culture			39,514
Social services	57,355		
TOTAL EXPENDITURES	1,814,730	990,875	374,889
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	164,763	464,861	93,828
FUND BALANCES - JANUARY 1	1,223,479	3,552,175	1,155,819
FUND BALANCES - DECEMBER 31	\$ 1,388,242	\$ 4,017,036	\$ 1,249,647

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 250,605	\$ 327,336	\$ 76,731	\$ 1,100,055	\$ 1,139,737	\$ 39,682
Federal aid	28,400	369,084	340,684	14,300	45,977	31,677
Property taxes	567,497	520,410	(47,087)	274,000	273,882	(118)
Fines, forfeitures, and costs	316,000	285,897	(30,103)			
Interest	2,100	1,574	(526)	17,700	19,528	1,828
Officers' fees	15,000	21,946	6,946			
Jail fees	100,000	61,524	(38,476)			
Rent		37,664	37,664			
Treasurer's commission	60,000	41,413	(18,587)			
Collector's commission	160,000	131,788	(28,212)			
Taxes apportioned - Assessor's salary and expense	160,000	158,807	(1,193)			
Other	76,000	38,477	(37,523)		5,757	5,757
TOTAL REVENUES	1,735,602	1,995,920	260,318	1,406,055	1,484,881	78,826
Less: Treasurer's commission		16,427	(16,427)		29,145	(29,145)
NET REVENUES	1,735,602	1,979,493	243,891	1,406,055	1,455,736	49,681
EXPENDITURES						
Current:						
General government	894,701	802,997	91,704			
Law enforcement	991,271	904,380	86,891			
Highways and streets				1,669,825	990,875	678,950
Public safety	26,360	25,295	1,065			
Health	29,650	24,703	4,947			
Social services	72,711	57,355	15,356			
TOTAL EXPENDITURES	2,014,693	1,814,730	199,963	1,669,825	990,875	678,950
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(279,091)	164,763	443,854	(263,770)	464,861	728,631
FUND BALANCES - JANUARY 1	400,000	1,223,479	823,479	425,000	3,552,175	3,127,175
FUND BALANCES - DECEMBER 31	\$ 120,909	\$ 1,388,242	\$ 1,267,333	\$ 161,230	\$ 4,017,036	\$ 3,855,806

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

MONROE COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020
(UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Reappraisal Cost
ASSETS								
Cash and cash equivalents	\$ 40,459	\$ 110,159	\$ 37,629	\$ 7,586	\$ 15,938	\$ 139,462	\$ 65,158	\$ 5,565
Accounts receivable			108		98	2,286		
Interfund receivables		22,393						
TOTAL ASSETS	\$ 40,459	\$ 132,552	\$ 37,737	\$ 7,586	\$ 16,036	\$ 141,748	\$ 65,158	\$ 5,565
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 1	\$ 4				\$ 2,194	\$ 86	
Settlements pending								
Total Liabilities	1	4				2,194	86	
Fund Balances:								
Restricted	40,458	132,548	\$ 37,737	\$ 7,586	\$ 16,036	139,554	65,072	\$ 5,565
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,459	\$ 132,552	\$ 37,737	\$ 7,586	\$ 16,036	\$ 141,748	\$ 65,158	\$ 5,565

MONROE COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020
(UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS						
	Child Support Cost	Drug Control	Jail Operation and Maintenance	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Circuit Court Juvenile Division
ASSETS							
Cash and cash equivalents	\$ 10,172	\$ 53	\$ 58,470	\$ 22,968	\$ 8,510	\$ 569,827	\$ 40,855
Accounts receivable			2,896	300		6,319	747
Interfund receivables							
TOTAL ASSETS	<u>\$ 10,172</u>	<u>\$ 53</u>	<u>\$ 61,366</u>	<u>\$ 23,268</u>	<u>\$ 8,510</u>	<u>\$ 576,146</u>	<u>\$ 41,602</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable			\$ 177			\$ 499	\$ 1,271
Settlements pending							
Total Liabilities			<u>177</u>			<u>499</u>	<u>1,271</u>
Fund Balances:							
Restricted	<u>\$ 10,172</u>	<u>\$ 53</u>	<u>61,189</u>	<u>\$ 23,268</u>	<u>\$ 8,510</u>	<u>575,647</u>	<u>40,331</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,172</u>	<u>\$ 53</u>	<u>\$ 61,366</u>	<u>\$ 23,268</u>	<u>\$ 8,510</u>	<u>\$ 576,146</u>	<u>\$ 41,602</u>

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2020
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	Circuit Clerk Commissioner's Fee	County Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Juvenile Detention and Prisoner Care	Justice Assistance Grant (JAG)	Court Security Grant	Sheriff's Communication	Library Microfilm Memorial
ASSETS								
Cash and cash equivalents	\$ 2,092	\$ 40	\$ 1,048	\$ 6,552	\$ 1	\$ 516	\$ 3,622	\$ 62,832
Accounts receivable								
Interfund receivables								
TOTAL ASSETS	<u>\$ 2,092</u>	<u>\$ 40</u>	<u>\$ 1,048</u>	<u>\$ 6,552</u>	<u>\$ 1</u>	<u>\$ 516</u>	<u>\$ 3,622</u>	<u>\$ 62,832</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	<u>\$ 2,092</u>	<u>\$ 40</u>	<u>\$ 1,048</u>	<u>\$ 6,552</u>	<u>\$ 1</u>	<u>\$ 516</u>	<u>\$ 3,622</u>	<u>\$ 62,832</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,092</u>	<u>\$ 40</u>	<u>\$ 1,048</u>	<u>\$ 6,552</u>	<u>\$ 1</u>	<u>\$ 516</u>	<u>\$ 3,622</u>	<u>\$ 62,832</u>

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2020
 (UNAUDITED)

Schedule 1

	CAPITAL PROJECTS FUNDS		CUSTODIAL FUNDS					
	United States Department of Agriculture Sheriff's Car Grant	2019 USDA Car Grant	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 479	\$ 35	\$ 1,099	\$ 49,760	\$ 21,296	\$ 43,723	\$ 97,733	\$ 1,432,343
Accounts receivable								12,754
Interfund receivables								22,393
TOTAL ASSETS	<u>\$ 479</u>	<u>\$ 35</u>	<u>\$ 1,099</u>	<u>\$ 49,760</u>	<u>\$ 21,296</u>	<u>\$ 43,723</u>	<u>\$ 97,733</u>	<u>\$ 1,467,490</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 4,232
Settlements pending			\$ 1,099	\$ 49,760	\$ 21,296	\$ 43,723	\$ 97,733	213,611
Total Liabilities			<u>1,099</u>	<u>49,760</u>	<u>21,296</u>	<u>43,723</u>	<u>97,733</u>	<u>217,843</u>
Fund Balances:								
Restricted	<u>\$ 479</u>	<u>\$ 35</u>						<u>1,249,647</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 479</u>	<u>\$ 35</u>	<u>\$ 1,099</u>	<u>\$ 49,760</u>	<u>\$ 21,296</u>	<u>\$ 43,723</u>	<u>\$ 97,733</u>	<u>\$ 1,467,490</u>

MONROE COUNTY, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Reappraisal Cost	Child Support Cost
REVENUES									
State aid				\$ 2,178			\$ 4,236	\$ 61,236	
Federal aid							1,156		
Property taxes							44,718		
Fines, forfeitures, and costs			\$ 2,268						
Interest	\$ 70	\$ 202	66	14	\$ 27	\$ 230	89	9	\$ 18
Officers' fees					1,176	38,493			998
Jail fees									
911 fees									
Commissary profit									
Donations									
Treasurer's commission	7,311								
Collector's commission		22,393							
Other			20	14	6	203	977		2
TOTAL REVENUES	7,381	22,595	2,354	2,206	1,209	38,926	51,176	61,245	1,018
Less: Treasurer's commission			50	43	23	785	989		20
NET REVENUES	7,381	22,595	2,304	2,163	1,186	38,141	50,187	61,245	998
EXPENDITURES									
Current:									
General government	6,641	3,661		495		29,487		61,236	70
Law enforcement									
Public safety									
Recreation and culture							39,514		
Total Current	6,641	3,661		495		29,487	39,514	61,236	70
TOTAL EXPENDITURES	6,641	3,661		495		29,487	39,514	61,236	70
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	740	18,934	2,304	1,668	1,186	8,654	10,673	9	928
FUND BALANCES - JANUARY 1	39,718	113,614	35,433	5,918	14,850	130,900	54,399	5,556	9,244
FUND BALANCES - DECEMBER 31	\$ 40,458	\$ 132,548	\$ 37,737	\$ 7,586	\$ 16,036	\$ 139,554	\$ 65,072	\$ 5,565	\$ 10,172

MONROE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Drug Control	Jail Operation and Maintenance	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Public Defender	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	County Clerk Commissioner's Fee
REVENUES									
State aid				\$ 900					
Federal aid									
Property taxes									
Fines, forfeitures, and costs		\$ 37,309				\$ 10,427			
Interest		99	\$ 38	14	\$ 1,020	77	\$ 16		
Officers' fees								\$ 49	
Jail fees			3,385						
911 fees					211,981				
Commissary profit									
Donations									
Treasurer's commission									
Collector's commission									
Other		259	17	4	726			1	\$ 1
TOTAL REVENUES		37,667	3,440	918	213,727	10,504	16	50	1
Less: Treasurer's commission		733	65	18	4,455			1	
NET REVENUES		36,934	3,375	900	209,272	10,504	16	49	1
EXPENDITURES									
Current:									
General government									
Law enforcement		27,517		46		15,250			
Public safety					164,097				
Recreation and culture									
Total Current		27,517		46	164,097	15,250			
TOTAL EXPENDITURES		27,517		46	164,097	15,250			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		9,417	3,375	854	45,175	(4,746)	16	49	1
FUND BALANCES - JANUARY 1	\$ 53	51,772	19,893	7,656	530,472	45,077	8,688	2,043	39
FUND BALANCES - DECEMBER 31	\$ 53	\$ 61,189	\$ 23,268	\$ 8,510	\$ 575,647	\$ 40,331	\$ 8,704	\$ 2,092	\$ 40

MONROE COUNTY, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS		
	Assessor's Late Assessment Fee	Juvenile Detention and Prisoner Care	Justice Assistance Grant (JAG)	Court Security Grant	Sheriff's Communication	Library Microfilm Memorial	United States Department of Agriculture Sheriff's Car Grant	2019 USDA Car Grant	Totals
REVENUES									
State aid									\$ 68,550
Federal aid									1,156
Property taxes	\$ 298								45,016
Fines, forfeitures, and costs									50,004
Interest				\$ 1	\$ 20	\$ 126			2,136
Officers' fees					2,864				43,580
Jail fees									3,385
911 fees									211,981
Commissary profit					10,657				10,657
Donations					7,500				7,500
Treasurer's commission									7,311
Collector's commission									22,393
Other									2,230
TOTAL REVENUES	298			1	21,041	126			475,899
Less: Treasurer's commission									7,182
NET REVENUES	298			1	21,041	126			468,717
EXPENDITURES									
Current:									
General government									101,590
Law enforcement					26,875				69,688
Public safety									164,097
Recreation and culture									39,514
Total Current					26,875				374,889
TOTAL EXPENDITURES					26,875				374,889
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	298			1	(5,834)	126			93,828
FUND BALANCES - JANUARY 1	750	\$ 6,552	\$ 1	515	9,456	62,706	\$ 479	\$ 35	1,155,819
FUND BALANCES - DECEMBER 31	\$ 1,048	\$ 6,552	\$ 1	\$ 516	\$ 3,622	\$ 62,832	\$ 479	\$ 35	\$ 1,249,647

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Operation and Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund to be used for defense of indigents.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of circuit clerk.
County Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of county clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Juvenile Detention and Prisoner Care	Monroe County Ordinance no. 417 (September 13, 2010) allocated Circuit Court ordered funds to be held and used for juvenile detention and prisoner care only.
Justice Assistance Grant (JAG)	Established to account for grant received for the purpose of law enforcement equipment purchases.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Court Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
Sheriff's Communication	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Library Microfilm Memorial	Established to account for memorials and immaterial miscellaneous revenue for library expenditures.
United States Department of Agriculture Sheriff's Car Grant	Established to receive grant monies to purchase police vehicles.
2019 USDA Car Grant	Established to receive grant monies to purchase police vehicles.

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

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

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

County Clerk's accounts consist primarily of trust money.

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

COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2020
(UNAUDITED)

1. **A. Basis of Presentation - Regulatory**

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

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

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

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

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

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

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

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

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

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

COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2020
(UNAUDITED)

1. (Continued)

B. Basis of Accounting - Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury, as well as county sales taxes, is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and trust funds, fire protection funds and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

D. Property Taxes

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

COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2020
(UNAUDITED)

1. (Continued)

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

F. Fund Balance Classification Policies and Procedures

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

For classification of fund balance amounts, restricted resources are considered spent before unrestricted. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

There were no committed or assigned fund balances at year end.

2. **Details of Fund Balance Classifications**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 355,615
Law enforcement			189,967
Highways and streets		\$ 4,017,036	
Public safety			575,647
Recreation and culture			127,904
Capital outlay			514
Total Restricted		4,017,036	1,249,647
Unassigned	\$ 1,388,242		
Totals	\$ 1,388,242	\$ 4,017,036	\$ 1,249,647

COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2020
(UNAUDITED)

3. Commitments

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

	December 31, 2020
Long-term liabilities	\$ 34,694
Noncancellable leases	85,412
Reappraisal contract	<u>296,940</u>
Total Commitments	<u>\$ 417,046</u>

Long-term Liabilities

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

	December 31, 2020
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	<u>\$ 34,694</u>

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

Post Employment Benefits Other Than Pensions

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

Noncancellable Lease

The County entered into a noncancellable lease agreement for three (3) 140M3 Caterpillar motor graders on December 19, 2018. Terms of the lease are monthly rental payments of \$6,570 for 36 months. At the end of the lease term, the County will return the equipment. The County is obligated for the following amounts for the next two years:

Year	December 31, 2020
2020	\$ 78,842
2021	<u>6,570</u>
Total	<u>\$ 85,412</u>

Rental expense for 2020 was \$78,842.

COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2020
(UNAUDITED)

3. Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Services, Inc. on September 11, 2020, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$4,949 for a total of \$296,940 beginning January 1, 2021. Contract expense for 2020 was \$61,236.

<u>Year</u>	<u>December 31, 2020</u>
2021	\$ 59,388
2022	59,388
2023	59,388
2024	59,388
2025	59,388
Total	<u>\$ 296,940</u>

4. Related Party Transactions

The County paid Donald's Garage \$19,756 for County vehicle repairs, maintenance, and the purchase of fuel and oil in 2020. Donald's Garage is owned by County Clerk Tina Wofford's husband. Monroe County Ordinance no. 541 (January 13, 2020) allows the County to conduct business with this related party.

5. Joint Venture: Regional Library

Phillips, Lee, and Monroe Counties entered into an agreement in May, 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the Phillips, Lee and Monroe Regional Library. The agreement states that the library boards of these counties are to continue the same duties and functions that they have had in the past until said duties and functions are altered by the Quorum Court as provided by law. The County Library did not pay any regional library expenditures in 2020. Contact the Phillips, Lee, and Monroe Regional Library at 702 Porter Street, Helena, AR 72342 to obtain financial statements.

6. Jointly Governed Organization

Central Arkansas Regional Solid Waste Management District

Pursuant to Act 752 of the Act of Arkansas of 1991, the Central Arkansas Regional Solid Waste Management District and Board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in Arkansas Counties of Lonoke, Prairie, and Monroe. The District's board of directors is composed in accordance with the requirements of the Act and is comprised of representatives of the counties of the District and representatives of all first class cities, of all cities with a population of over 2,000, and of the largest city of each county in the District. The County made no contributions to or disbursements on behalf of the Central Arkansas Regional Solid Waste Management District of 2020. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 902 N. Center, Lonoke, Arkansas 72086.

COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2020
(UNAUDITED)

7. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2020, (date of APERS Employer Allocation Report) were \$173,222.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2020, (actuarial valuation date and measurement date) was \$1,659,423.

8. Capital Assets

The County's capital assets records are summarized below:

	December 31, 2020
Land	\$ 34,200
Buildings	2,572,109
Equipment	2,954,128
Total	<u>\$ 5,560,437</u>

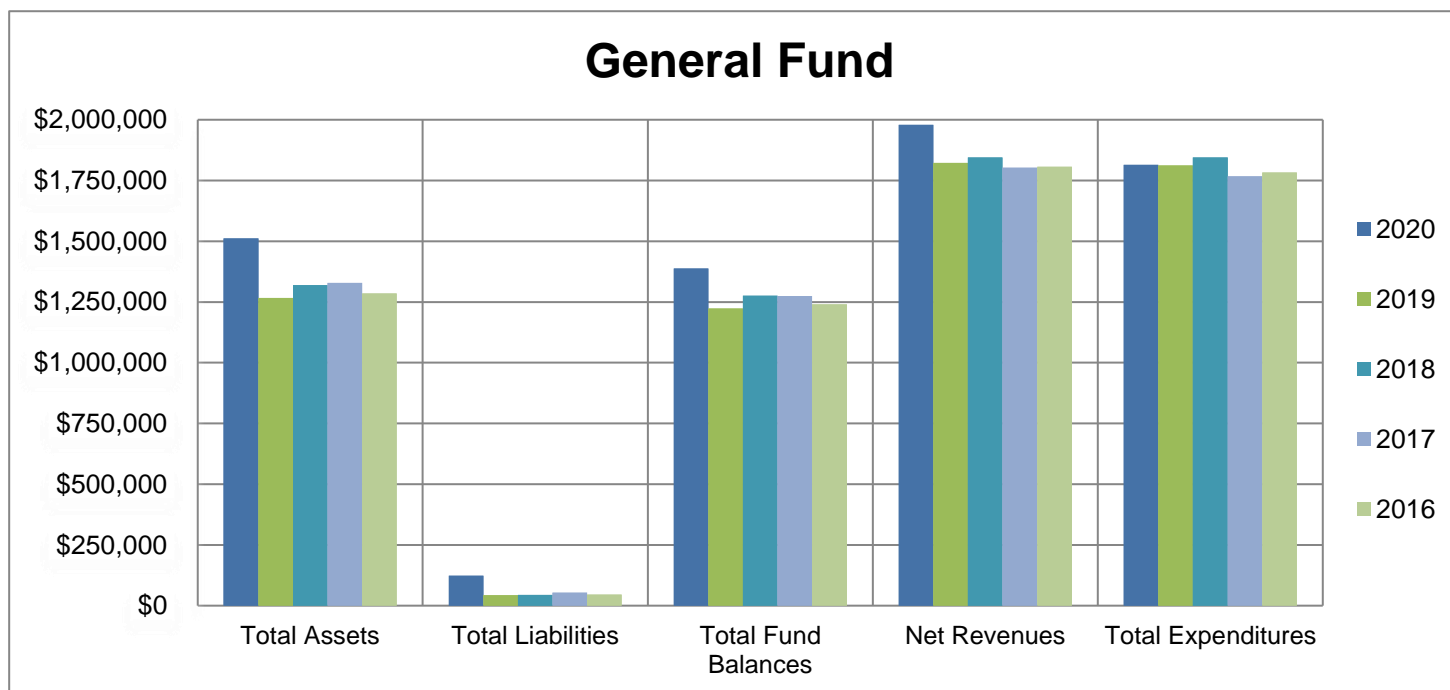
9. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2020, the County Received \$343,444 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$1,301,592 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$650,796 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain, however, the County is expecting to receive additional federal aid for coronavirus relief.

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

Schedule 3-1

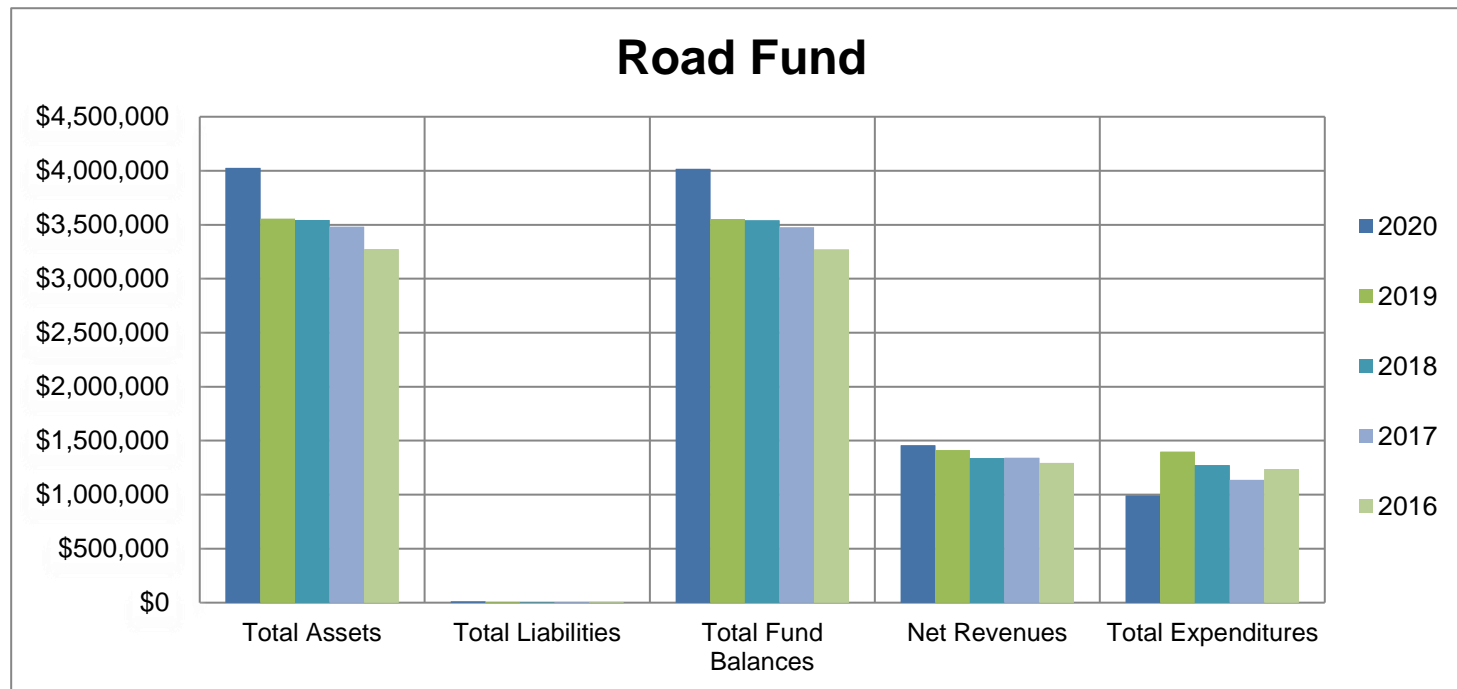
General	2020	2019	2018	2017	2016
Total Assets	\$ 1,511,813	\$ 1,266,676	\$ 1,319,696	\$ 1,328,942	\$ 1,285,170
Total Liabilities	123,571	43,197	43,781	54,067	44,973
Total Fund Balances	1,388,242	1,223,479	1,275,915	1,274,875	1,240,197
Net Revenues	1,979,493	1,822,459	1,845,304	1,801,950	1,806,889
Total Expenditures	1,814,730	1,812,412	1,844,264	1,767,272	1,782,877
Total Other Financing Sources/Uses		(62,043)			



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

Schedule 3-2

Road	2020	2019	2018	2017	2016
Total Assets	\$ 4,027,041	\$ 3,556,042	\$ 3,541,745	\$ 3,479,325	\$ 3,274,010
Total Liabilities	10,005	3,867	2,891	3,744	4,362
Total Fund Balances	4,017,036	3,552,175	3,538,854	3,475,581	3,269,648
Net Revenues	1,455,736	1,411,280	1,337,739	1,341,380	1,292,959
Total Expenditures	990,875	1,397,959	1,274,466	1,135,447	1,238,783
Total Other Financing Sources/Uses					



MONROE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2020
(UNAUDITED)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 1,467,490	\$ 1,378,505	\$ 1,304,337	\$ 1,171,897	\$ 1,107,516
Total Liabilities	217,843	222,686	204,249	152,247	144,926
Total Fund Balances	1,249,647	1,155,819	1,100,088	1,019,650	962,590
Net Revenues	468,717	522,227	420,572	533,654	433,956
Total Expenditures	374,889	528,539	340,134	476,594	354,739
Total Other Financing Sources/Uses		62,043			

