

Monroe County, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



MONROE COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate –Regulatory Basis (Unaudited)	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Other Funds in the Aggregate – Regulatory Basis (Unaudited)	2
Notes to Schedules 1 and 2 Other General Information	
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	3-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	3-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	3-3

Arkansas



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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, 2021, and have issued our report thereon dated July 25, 2023. 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 relate to the following officials who held office during 2021:

County Judge: Larry Taylor
Treasurer/Tax Collector: Steve Mitchell
Sheriff: Michael Neal
County Clerk: Tina Wofford
Circuit Clerk: Alice Smith
Assessor: Renee Neal (retired February 8, 2021)
 Stacey Wilkerson (appointed February 9, 2021)
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 office of **County Sheriff**.

Sheriff

The balance remaining in the Commissary bank account of \$13,816 was not identified. A similar finding was issued in the previous two reports.

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

Handwritten signature of Roger A. Norman in black ink.

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

Little Rock, Arkansas
July 25, 2023
LOCO04821

MONROE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,586,688	\$ 4,641,133	\$ 2,229,177
Accounts receivable	25,693		9,578
Interfund receivables			43,356
	\$ 1,612,381	\$ 4,641,133	\$ 2,282,111
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 33,477	\$ 16,446	\$ 6,755
Interfund payables	43,356		
Settlements pending	89,349		178,718
Total Liabilities	166,182	16,446	185,473
Fund Balances:			
Restricted		4,624,687	2,096,638
Unassigned	1,446,199		
Total Fund Balances	1,446,199	4,624,687	2,096,638
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,612,381	\$ 4,641,133	\$ 2,282,111

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, 2021
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 428,012	\$ 1,248,636	\$ 66,371
Federal aid	24,096	45,982	654,432
Property taxes	610,450	286,238	45,957
Fines, forfeitures, and costs	430,258		62,824
Interest	1,890	13,483	2,513
Officers' fees	10,020		47,342
Jail fees	17,352		5,505
911 fees			210,804
Commissary profit			2,436
Donations			200
Treasurer's commission	42,206		8,784
Collector's commission	144,497		20,963
Taxes apportioned - Assessor's salary and expense	119,038		
Other	96,363	16,375	3,639
TOTAL REVENUES	1,924,182	1,610,714	1,131,770
Less: Treasurer's commission	21,562	31,585	6,804
NET REVENUES	1,902,620	1,579,129	1,124,966
EXPENDITURES			
Current:			
General government	746,120		101,631
Law enforcement	981,503		52,244
Highways and streets	22,140	971,478	
Public safety	26,831		83,473
Health	17,543		
Recreation and culture			40,627
Social services	50,526		
TOTAL EXPENDITURES	1,844,663	971,478	277,975
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	57,957	607,651	846,991
FUND BALANCES - JANUARY 1	1,388,242	4,017,036	1,249,647
FUND BALANCES - DECEMBER 31	\$ 1,446,199	\$ 4,624,687	\$ 2,096,638

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, 2021
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 420,232	\$ 428,012	\$ 7,780	\$ 1,166,885	\$ 1,248,636	\$ 81,751
Federal aid	24,096	24,096	0	45,982	45,982	0
Property taxes	573,169	610,450	37,281	275,915	286,238	10,323
Fines, forfeitures, and costs	318,799	430,258	111,459			
Interest	1,690	1,890	200	2,741	13,483	10,742
Officers' fees	10,602	10,020	(582)			
Jail fees	20,592	17,352	(3,240)			
Treasurer's commission	59,565	42,206	(17,359)			
Collector's commission	180,000	144,497	(35,503)			
Taxes apportioned - Assessor's salary and expense	150,000	119,038	(30,962)			
Other	94,251	96,363	2,112	10,884	16,375	5,491
TOTAL REVENUES	1,852,996	1,924,182	71,186	1,502,407	1,610,714	108,307
Less: Treasurer's commission		21,562	(21,562)		31,585	(31,585)
NET REVENUES	1,852,996	1,902,620	49,624	1,502,407	1,579,129	76,722
EXPENDITURES						
Current:						
General government	931,548	746,120	185,428			
Law enforcement	1,137,163	981,503	155,660			
Highways and streets		22,140	(22,140)	1,677,417	971,478	705,939
Public safety	25,810	26,831	(1,021)			
Health	28,839	17,543	11,296			
Social services	57,602	50,526	7,076			
TOTAL EXPENDITURES	2,180,962	1,844,663	336,299	1,677,417	971,478	705,939
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(327,966)	57,957	385,923	(175,010)	607,651	782,661
FUND BALANCES - JANUARY 1	1,388,242	1,388,242	0	4,017,036	4,017,036	0
FUND BALANCES - DECEMBER 31	<u>\$ 1,060,276</u>	<u>\$ 1,446,199</u>	<u>\$ 385,923</u>	<u>\$ 3,842,026</u>	<u>\$ 4,624,687</u>	<u>\$ 782,661</u>

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, 2021
 (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	Child Support Cost
ASSETS									
Cash and cash equivalents	\$ 39,573	\$ 107,954	\$ 40,182	\$ 9,683	\$ 17,171	\$ 148,942	\$ 74,935	\$ 5,576	\$ 10,673
Accounts receivable			115		64	4,050			
Interfund receivables		43,356							
TOTAL ASSETS	\$ 39,573	\$ 151,310	\$ 40,297	\$ 9,683	\$ 17,235	\$ 152,992	\$ 74,935	\$ 5,576	\$ 10,673
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 133	\$ 5		\$ 464		\$ 927	\$ 79		
Settlements pending									
Total Liabilities	133	5		464		927	79		
Fund Balances:									
Restricted	39,440	151,305	\$ 40,297	9,219	\$ 17,235	152,065	74,856	\$ 5,576	\$ 10,673
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,573	\$ 151,310	\$ 40,297	\$ 9,683	\$ 17,235	\$ 152,992	\$ 74,935	\$ 5,576	\$ 10,673

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021
 (UNAUDITED)

Schedule 1

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
ASSETS								
Cash and cash equivalents	\$ 53	\$ 83,959	\$ 28,401	\$ 9,237	\$ 700,911	\$ 37,241	\$ 8,721	\$ 2,245
Accounts receivable		2,840	335		1,568	606		
Interfund receivables								
TOTAL ASSETS	\$ 53	\$ 86,799	\$ 28,736	\$ 9,237	\$ 702,479	\$ 37,847	\$ 8,721	\$ 2,245
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 3,138			\$ 543	\$ 1,271	\$ 195	
Settlements pending								
Total Liabilities		3,138			543	1,271	195	
Fund Balances:								
Restricted	\$ 53	83,661	\$ 28,736	\$ 9,237	701,936	36,576	8,526	\$ 2,245
TOTAL LIABILITIES AND FUND BALANCES	\$ 53	\$ 86,799	\$ 28,736	\$ 9,237	\$ 702,479	\$ 37,847	\$ 8,721	\$ 2,245

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	County Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Juvenile Detention and Prisoner Care	Justice Assistance Grant (JAG)	Court Security Grant	Communication Facility and Equipment	Library Microfilm Memorial	American Rescue Plan Act
ASSETS								
Cash and cash equivalents	\$ 40	\$ 1,381	\$ 6,552	\$ 1	\$ 132	\$ 3,078	\$ 63,022	\$ 650,796
Accounts receivable								
Interfund receivables								
TOTAL ASSETS	\$ 40	\$ 1,381	\$ 6,552	\$ 1	\$ 132	\$ 3,078	\$ 63,022	\$ 650,796
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 40	\$ 1,381	\$ 6,552	\$ 1	\$ 132	\$ 3,078	\$ 63,022	\$ 650,796
TOTAL LIABILITIES AND FUND BALANCES	\$ 40	\$ 1,381	\$ 6,552	\$ 1	\$ 132	\$ 3,078	\$ 63,022	\$ 650,796

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021
 (UNAUDITED)

Schedule 1

CUSTODIAL FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS						
Cash and cash equivalents	\$ 17,411	\$ 56,779	\$ 29,775	\$ 33,098	\$ 41,655	\$ 2,229,177
Accounts receivable						9,578
Interfund receivables						43,356
TOTAL ASSETS	\$ 17,411	\$ 56,779	\$ 29,775	\$ 33,098	\$ 41,655	\$ 2,282,111
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 6,755
Settlements pending	\$ 17,411	\$ 56,779	\$ 29,775	\$ 33,098	\$ 41,655	178,718
Total Liabilities	17,411	56,779	29,775	33,098	41,655	185,473
Fund Balances:						
Restricted						2,096,638
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,411	\$ 56,779	\$ 29,775	\$ 33,098	\$ 41,655	\$ 2,282,111

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, 2021
 (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	Drug Control
REVENUES										
State aid				\$ 2,105			\$ 4,118	\$ 59,388		
Federal aid							1,086			
Property taxes							45,624			
Fines, forfeitures, and costs			\$ 2,517							
Interest	\$ 76	\$ 215	76	19	\$ 32	\$ 266	123	11	\$ 20	
Officers' fees					1,183	42,203				555
Jail fees										
911 fees										
Commissary profit										
Donations										
Treasurer's commission	8,784									
Collector's commission		20,963								
Other			17	15	8	261	329		7	
TOTAL REVENUES	8,860	21,178	2,610	2,139	1,223	42,730	51,280	59,399	582	
Less: Treasurer's commission			50	42	24	809	1,005		11	
NET REVENUES	8,860	21,178	2,560	2,097	1,199	41,921	50,275	59,399	571	
EXPENDITURES										
Current:										
General government	9,878	2,421		464		29,410		59,388	70	
Law enforcement										
Public safety										
Recreation and culture							40,491			
TOTAL EXPENDITURES	9,878	2,421		464		29,410	40,491	59,388	70	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,018)	18,757	2,560	1,633	1,199	12,511	9,784	11	501	
FUND BALANCES - JANUARY 1	40,458	132,548	37,737	7,586	16,036	139,554	65,072	5,565	10,172	\$ 53
FUND BALANCES - DECEMBER 31	<u>\$ 39,440</u>	<u>\$ 151,305</u>	<u>\$ 40,297</u>	<u>\$ 9,219</u>	<u>\$ 17,235</u>	<u>\$ 152,065</u>	<u>\$ 74,856</u>	<u>\$ 5,576</u>	<u>\$ 10,673</u>	<u>\$ 53</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, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	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	Assessor's Late Assessment Fee
REVENUES									
State aid			\$ 760						
Federal aid									
Property taxes									\$ 333
Fines, forfeitures, and costs	\$ 48,889				\$ 11,418				
Interest	143	\$ 51	17	\$ 1,235	77	\$ 17			
Officers' fees							\$ 156		
Jail fees		5,505							
911 fees				210,804					
Commissary profit									
Donations									
Treasurer's commission									
Collector's commission									
Other	244	21	6	1,480					
TOTAL REVENUES	49,276	5,577	783	213,519	11,495	17	156		333
Less: Treasurer's commission	979	109	15	3,757			3		
NET REVENUES	48,297	5,468	768	209,762	11,495	17	153		333
EXPENDITURES									
Current:									
General government									
Law enforcement	25,825		41		15,250	195			
Public safety				83,473					
Recreation and culture									
TOTAL EXPENDITURES	25,825		41	83,473	15,250	195			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	22,472	5,468	727	126,289	(3,755)	(178)	153		333
FUND BALANCES - JANUARY 1	61,189	23,268	8,510	575,647	40,331	8,704	2,092	\$ 40	1,048
FUND BALANCES - DECEMBER 31	<u>\$ 83,661</u>	<u>\$ 28,736</u>	<u>\$ 9,237</u>	<u>\$ 701,936</u>	<u>\$ 36,576</u>	<u>\$ 8,526</u>	<u>\$ 2,245</u>	<u>\$ 40</u>	<u>\$ 1,381</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, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS		Totals
	Juvenile Detention and Prisoner Care	Justice Assistance Grant (JAG)	Court Security Grant	Communication Facility and Equipment	Library Microfilm Memorial	American Rescue Plan Act	United States Department of Agriculture Sheriff's Car Grant	
REVENUES								
State aid								\$ 66,371
Federal aid	\$ 2,550					\$ 650,796		654,432
Property taxes								45,957
Fines, forfeitures, and costs								62,824
Interest			\$ 1	\$ 8	\$ 126			2,513
Officers' fees				3,245				47,342
Jail fees								5,505
911 fees								210,804
Commissary profit				2,436				2,436
Donations					200			200
Treasurer's commission								8,784
Collector's commission								20,963
Other				1,251				3,639
TOTAL REVENUES	2,550		1	6,940	326	650,796		1,131,770
Less: Treasurer's commission								6,804
NET REVENUES	2,550		1	6,940	326	650,796		1,124,966
EXPENDITURES								
Current:								
General government								101,631
Law enforcement	2,550		385	7,484			\$ 479	\$ 35
Public safety								83,473
Recreation and culture					136			40,627
TOTAL EXPENDITURES	2,550		385	7,484	136		479	35
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES			(384)	(544)	190	650,796	(479)	(35)
FUND BALANCES - JANUARY 1	6,552	\$ 1	516	3,622	62,832		479	35
FUND BALANCES - DECEMBER 31	<u>\$ 6,552</u>	<u>\$ 1</u>	<u>\$ 132</u>	<u>\$ 3,078</u>	<u>\$ 63,022</u>	<u>\$ 650,796</u>	<u>\$ 0</u>	<u>\$ 0</u>

MONROE COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2021

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.
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.

MONROE COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Communication Facility and Equipment	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.

MONROE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Library Microfilm Memorial	Established to account for memorials and immaterial miscellaneous revenue for library expenditures.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
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 and delinquent 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.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(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 Schedule 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.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(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 and savings accounts, and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, 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.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(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, 2021, are composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances			
Restricted for:			
General government			\$ 1,039,976
Law enforcement			216,848
Highways and streets		\$ 4,624,687	
Public safety			701,936
Recreation and culture			137,878
Total Restricted		<u>4,624,687</u>	<u>2,096,638</u>
Unassigned	<u>\$ 1,446,199</u>		
Totals	<u>\$ 1,446,199</u>	<u>\$ 4,624,687</u>	<u>\$ 2,096,638</u>

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

3. Commitments

Total commitments consist of the following at December 31, 2021:

	December 31, 2021
Long-term liabilities	\$ 34,919
Noncancellable lease	6,570
Reappraisal contract	237,552
 Total Commitments	 \$ 279,041

Long-term Liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	December 31, 2021
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	\$ 34,919

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) 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 amount for next year:

Year	December 31, 2021
2022	\$ 6,570

Rental expense for 2021 was \$78,842.

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Services 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 2021 was \$59,388.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

3. Commitments (Continued)

The County is obligated for the following amounts at December 31, 2021:

Year	December 31, 2021
2022	\$ 59,388
2023	59,388
2024	59,388
2025	59,388
Total	<u>\$ 237,552</u>

4. 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 2021. Contact the Phillips, Lee, and Monroe Regional Library at 702 Porter Street, Helena, AR 72342 to obtain financial statements.

5. 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 2021. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 902 N. Center, Lonoke, Arkansas 72086.

6. 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, 2021 (date of APERS Employer Allocation Report) were \$182,983.

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, 2021 (actuarial valuation date and measurement date) was \$459,639.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

7. Capital Assets

The County's capital assets records are summarized below :

	<u>December 31,</u> <u>2021</u>
Land	\$ 34,200
Buildings	2,572,109
Equipment	<u>2,797,373</u>
Total	<u>\$ 5,403,682</u>

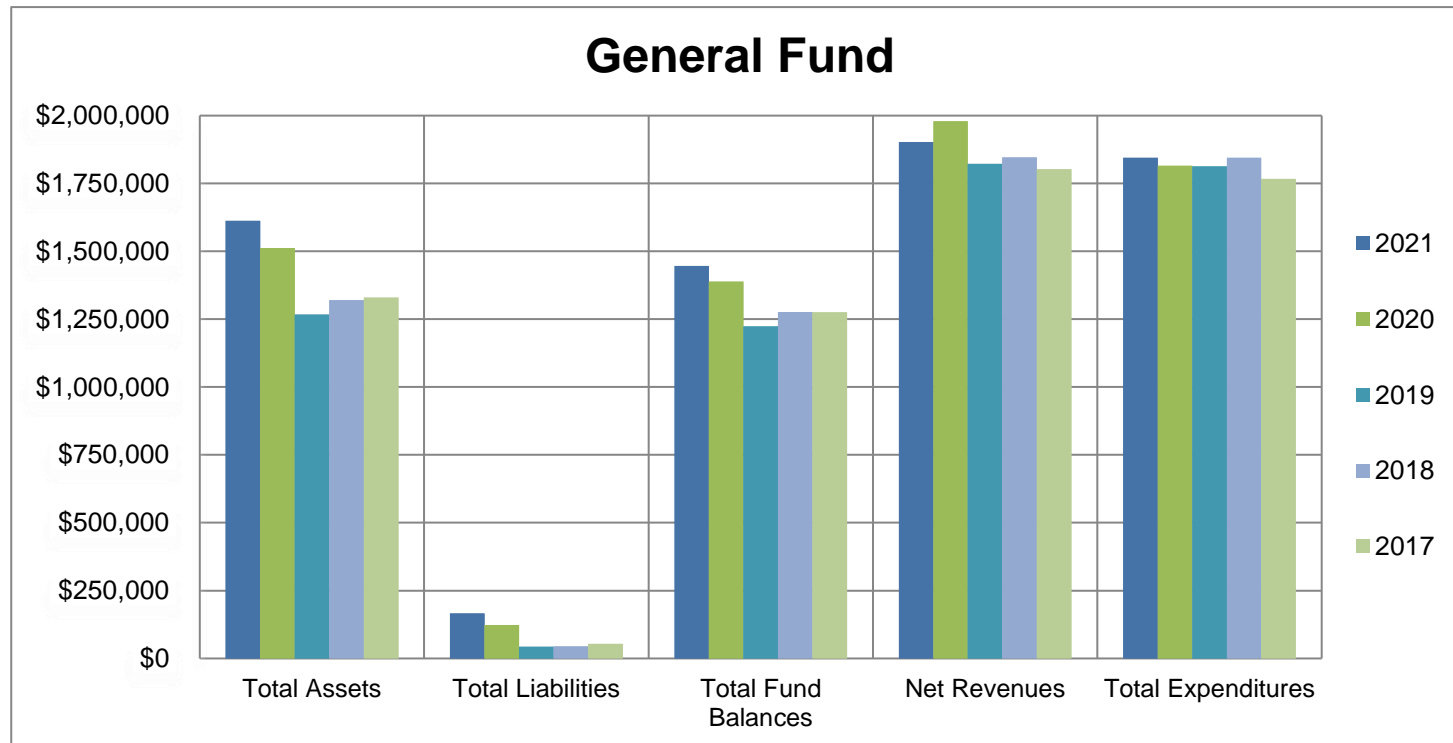
8. Corona Virus (COVID-19)

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). The County was awarded \$1,301,592 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,016,390 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

MONROE COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2021
 (UNAUDITED)

Schedule 3-1

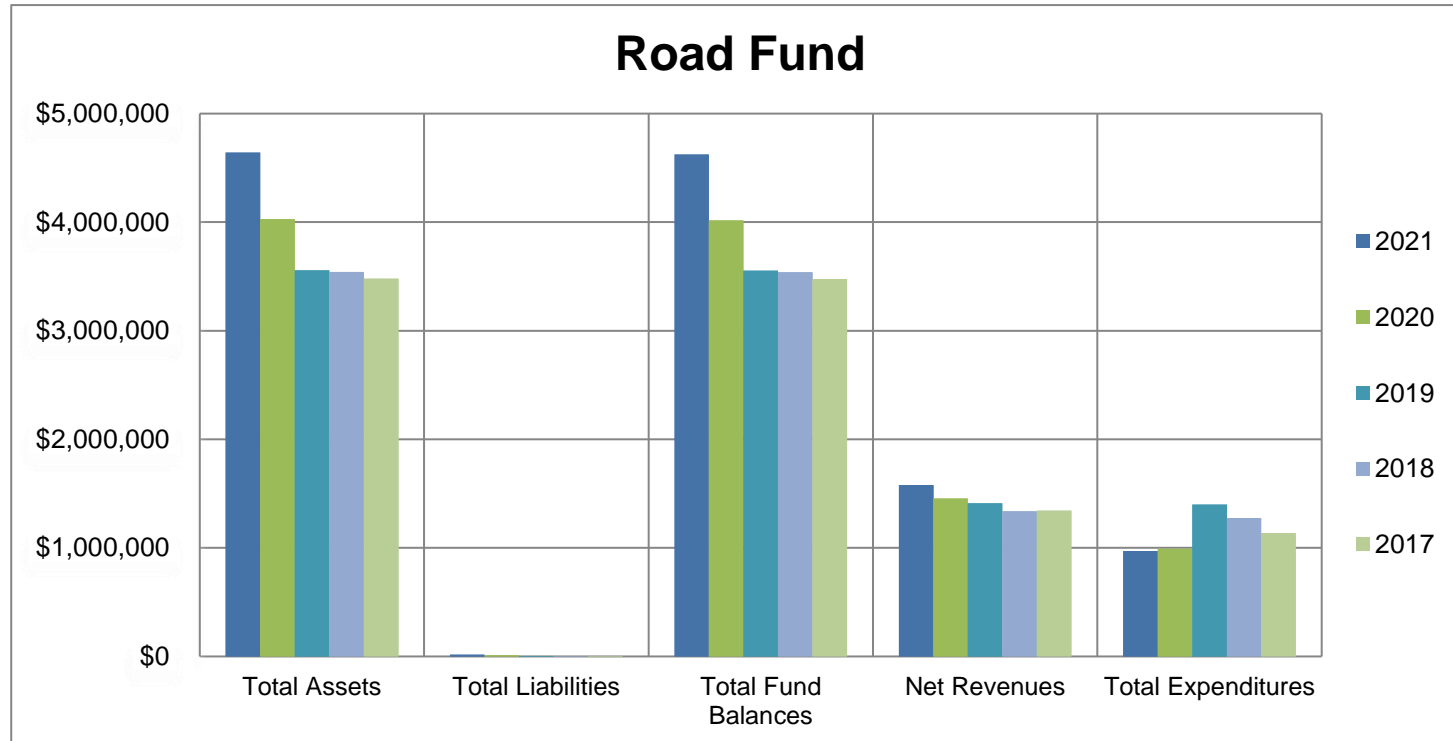
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 1,612,381	\$ 1,511,813	\$ 1,266,676	\$ 1,319,696	\$ 1,328,942
Total Liabilities	166,182	123,571	43,197	43,781	54,067
Total Fund Balances	1,446,199	1,388,242	1,223,479	1,275,915	1,274,875
Net Revenues	1,902,620	1,979,493	1,822,459	1,845,304	1,801,950
Total Expenditures	1,844,663	1,814,730	1,812,412	1,844,264	1,767,272
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, 2021
 (UNAUDITED)

Schedule 3-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 4,641,133	\$ 4,027,041	\$ 3,556,042	\$ 3,541,745	\$ 3,479,325
Total Liabilities	16,446	10,005	3,867	2,891	3,744
Total Fund Balances	4,624,687	4,017,036	3,552,175	3,538,854	3,475,581
Net Revenues	1,579,129	1,455,736	1,411,280	1,337,739	1,341,380
Total Expenditures	971,478	990,875	1,397,959	1,274,466	1,135,447
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, 2021
 (UNAUDITED)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 2,282,111	\$ 1,467,490	\$ 1,378,505	\$ 1,304,337	\$ 1,171,897
Total Liabilities	185,473	217,843	222,686	204,249	152,247
Total Fund Balances	2,096,638	1,249,647	1,155,819	1,100,088	1,019,650
Net Revenues	1,124,966	468,717	522,227	420,572	533,654
Total Expenditures	277,975	374,889	528,539	340,134	476,594
Total Other Financing Sources/Uses			62,043		

