

Monroe County, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



MONROE COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022, and have issued our report thereon dated August 22, 2024. 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 2022:

County Judge: Larry Taylor
Treasurer/Tax Collector: Steve Mitchell
Sheriff: Michael Neal
County Clerk: Tina Wofford
Circuit Clerk: Alice Smith
Assessor: Stacey Wilkerson
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 the **Treasurer / Tax Collector**.

Treasurer / Tax Collector

The Treasurer/Tax Collector's bank accounts were under collateralized by \$79,205, \$3,325,080, and \$407,411 in December, October, and April of 2022, respectively, in noncompliance with Ark. Code Ann. § 19-8-107.

Revenues were not budgeted in such detail as would be suitable for an analysis of the operations of all county offices and departments as per Ark. Code Ann. § 14-21-101.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 22, 2024
LOCO04822

MONROE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,543,095	\$ 5,288,741	\$ 4,146,232
Accounts receivable	532,520	52,518	32,186
Interfund receivables			20,963
	TOTAL ASSETS	TOTAL ASSETS	TOTAL ASSETS
	\$ 2,075,615	\$ 5,341,259	\$ 4,199,381
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 44,265	\$ 10,764	\$ 6,295
Interfund payables	20,963		
Settlements pending	232,496		1,345,874
Total Liabilities	297,724	10,764	1,352,169
Fund Balances:			
Restricted		5,330,495	2,847,212
Unassigned	1,777,891		
Total Fund Balances	1,777,891	5,330,495	2,847,212
	TOTAL LIABILITIES AND FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES
	\$ 2,075,615	\$ 5,341,259	\$ 4,199,381

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, 2022
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 516,873	\$ 1,344,283	\$ 82,517
Federal aid	389,534	46,852	951,041
Property taxes	626,426	313,206	43,435
Fines, forfeitures, and costs	311,987		56,586
Interest	1,796	12,866	4,113
Officers' fees	7,674		46,302
Jail fees	35,640		3,580
911 fees			181,474
Commissary profit			19,132
Donations			550
Sale of land and mineral proceeds	112,097		
Treasurer's commission	45,370		6,683
Collector's commission	139,948		22,254
Taxes apportioned - Assessor's salary and expense	114,662		
Other	86,231	6,706	141
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TOTAL REVENUES	2,388,238	1,723,913	1,417,808
Less: Treasurer's commission	18,612	21,638	4,710
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NET REVENUES	2,369,626	1,702,275	1,413,098
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EXPENDITURES			
Current:			
General government	818,066		195,459
Law enforcement	1,136,524		39,642
Highways and streets		996,467	
Public safety	16,454		82,130
Health	19,285		299,167
Recreation and culture			46,126
Social services	47,605		
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TOTAL EXPENDITURES	2,037,934	996,467	662,524
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EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	331,692	705,808	750,574
FUND BALANCES - JANUARY 1	1,446,199	4,624,687	2,096,638
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FUND BALANCES - DECEMBER 31	\$ 1,777,891	\$ 5,330,495	\$ 2,847,212
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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, 2022
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid		\$ 516,873	\$ 516,873		\$ 1,344,283	\$ 1,344,283
Federal aid		389,534	389,534		46,852	46,852
Property taxes		626,426	626,426		313,206	313,206
Fines, forfeitures, and costs		311,987	311,987			
Interest		1,796	1,796		12,866	12,866
Officers' fees		7,674	7,674			
Jail fees		35,640	35,640			
Sale of land and mineral proceeds		112,097	112,097			
Unclassified	\$ 2,047,106		(2,047,106)	\$ 1,824,764		(1,824,764)
Treasurer's commission		45,370	45,370			
Collector's commission		139,948	139,948			
Taxes apportioned - Assessor's salary and expense		114,662	114,662			
Other		86,231	86,231		6,706	6,706
TOTAL REVENUES	2,047,106	2,388,238	341,132	1,824,764	1,723,913	(100,851)
Less: Treasurer's commission		18,612	(18,612)		21,638	(21,638)
NET REVENUES	2,047,106	2,369,626	322,520	1,824,764	1,702,275	(122,489)
EXPENDITURES						
Current:						
General government	901,219	818,066	83,153			
Law enforcement	1,167,200	1,136,524	30,676			
Highways and streets				1,449,421	996,467	452,954
Public safety	18,234	16,454	1,780			
Health	23,145	19,285	3,860			
Social services	57,593	47,605	9,988			
TOTAL EXPENDITURES	2,167,391	2,037,934	129,457	1,449,421	996,467	452,954
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(120,285)	331,692	451,977	375,343	705,808	330,465
FUND BALANCES - JANUARY 1		1,446,199	1,446,199		4,624,687	4,624,687
FUND BALANCES - DECEMBER 31	\$ (120,285)	\$ 1,777,891	\$ 1,898,176	\$ 375,343	\$ 5,330,495	\$ 4,955,152

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, 2022
 (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	\$	37,023	\$ 126,031	\$ 42,123	\$ 9,446	\$ 18,156	\$ 158,856	\$ 77,433	\$ 5,586	\$ 10,940
Accounts receivable			22,258	65		72	3,172			
Interfund receivables			20,963							
TOTAL ASSETS		\$ 37,023	\$ 169,252	\$ 42,188	\$ 9,446	\$ 18,228	\$ 162,028	\$ 77,433	\$ 5,586	\$ 10,940
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	1	\$ 3				\$ 1,435	\$ 9		
Settlements pending										
Total Liabilities		1	3				1,435	9		
Fund Balances:										
Restricted		37,022	169,249	\$ 42,188	\$ 9,446	\$ 18,228	160,593	77,424	\$ 5,586	\$ 10,940
TOTAL LIABILITIES AND FUND BALANCES		\$ 37,023	\$ 169,252	\$ 42,188	\$ 9,446	\$ 18,228	\$ 162,028	\$ 77,433	\$ 5,586	\$ 10,940

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022
 (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	\$ 95,613	\$ 32,118	\$ 9,904	\$ 798,502	\$ 33,129	\$ 2,428	\$ 2,245
Accounts receivable		1,780	178		4,262	399		
Interfund receivables								
TOTAL ASSETS	\$ 53	\$ 97,393	\$ 32,296	\$ 9,904	\$ 802,764	\$ 33,528	\$ 2,428	\$ 2,245
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 742			\$ 2,834	\$ 1,271		
Settlements pending								
Total Liabilities		742			2,834	1,271		
Fund Balances:								
Restricted	\$ 53	96,651	\$ 32,296	\$ 9,904	799,930	32,257	\$ 2,428	\$ 2,245
TOTAL LIABILITIES AND FUND BALANCES	\$ 53	\$ 97,393	\$ 32,296	\$ 9,904	\$ 802,764	\$ 33,528	\$ 2,428	\$ 2,245

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	County Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Juvenile Detention and Prisoner Care	Justice Assistance Grant (JAG)	Courtroom Security Grant	Communication Facility and Equipment	Library Microfilm Memorial
ASSETS								
Cash and cash equivalents	\$ 40	\$ 1,669	\$ 1,260,820	\$ 6,552	\$ 1	\$ 139	\$ 8,597	\$ 62,954
Accounts receivable								
Interfund receivables								
TOTAL ASSETS	\$ 40	\$ 1,669	\$ 1,260,820	\$ 6,552	\$ 1	\$ 139	\$ 8,597	\$ 62,954
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 40	\$ 1,669	\$ 1,260,820	\$ 6,552	\$ 1	\$ 139	\$ 8,597	\$ 62,954
TOTAL LIABILITIES AND FUND BALANCES	\$ 40	\$ 1,669	\$ 1,260,820	\$ 6,552	\$ 1	\$ 139	\$ 8,597	\$ 62,954

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022
 (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	\$ 1,174,487	\$ 78,727	\$ 25,561	\$ 33,164	\$ 33,935	\$ 4,146,232
Accounts receivable						32,186
Interfund receivables						20,963
TOTAL ASSETS	\$ 1,174,487	\$ 78,727	\$ 25,561	\$ 33,164	\$ 33,935	\$ 4,199,381
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 6,295
Settlements pending	\$ 1,174,487	\$ 78,727	\$ 25,561	\$ 33,164	\$ 33,935	1,345,874
Total Liabilities	1,174,487	78,727	25,561	33,164	33,935	1,352,169
Fund Balances:						
Restricted						2,847,212
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,174,487	\$ 78,727	\$ 25,561	\$ 33,164	\$ 33,935	\$ 4,199,381

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, 2022
 (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				\$ 2,039			\$ 4,432	\$ 59,388	
Federal aid							1,079		
Property taxes							43,147		
Fines, forfeitures, and costs			\$ 1,855						
Interest	\$ 67	\$ 232	74	19	\$ 32	\$ 264	125	10	\$ 19
Officers' fees					980	41,279			324
Jail fees									
911 fees									
Commissary profit									
Donations									
Treasurer's commission	6,683								
Collector's commission		22,254							
Other							141		
TOTAL REVENUES	6,750	22,486	1,929	2,058	1,012	41,543	48,924	59,398	343
Less: Treasurer's commission			38	41	19	843	973		6
NET REVENUES	6,750	22,486	1,891	2,017	993	40,700	47,951	59,398	337
EXPENDITURES									
Current:									
General government	9,168	4,542		1,790		32,172		59,388	70
Law enforcement									
Public safety									
Health									
Recreation and culture							45,383		
TOTAL EXPENDITURES	9,168	4,542		1,790		32,172	45,383	59,388	70
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,418)	17,944	1,891	227	993	8,528	2,568	10	267
FUND BALANCES - JANUARY 1	39,440	151,305	40,297	9,219	17,235	152,065	74,856	5,576	10,673
FUND BALANCES - DECEMBER 31	<u>\$ 37,022</u>	<u>\$ 169,249</u>	<u>\$ 42,188</u>	<u>\$ 9,446</u>	<u>\$ 18,228</u>	<u>\$ 160,593</u>	<u>\$ 77,424</u>	<u>\$ 5,586</u>	<u>\$ 10,940</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, 2022
 (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				\$ 685		\$ 4			
Federal aid									
Property taxes									
Fines, forfeitures, and costs		\$ 43,868				10,863			
Interest		168	\$ 55	17	\$ 1,351	64	\$ 11		
Officers' fees									
Jail fees			3,580						
911 fees					181,474				
Commissary profit									
Donations									
Treasurer's commission									
Collector's commission									
Other									
TOTAL REVENUES		44,036	3,635	702	182,825	10,931	11		
Less: Treasurer's commission			75	14	2,701				
NET REVENUES		44,036	3,560	688	180,124	10,931	11		
EXPENDITURES									
Current:									
General government		30,147							
Law enforcement		899		21		15,250	6,109		
Public safety					82,130				
Health									
Recreation and culture									
TOTAL EXPENDITURES		31,046		21	82,130	15,250	6,109		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		12,990	3,560	667	97,994	(4,319)	(6,098)		
FUND BALANCES - JANUARY 1	\$ 53	83,661	28,736	9,237	701,936	36,576	8,526	\$ 2,245	\$ 40
FUND BALANCES - DECEMBER 31	\$ 53	\$ 96,651	\$ 32,296	\$ 9,904	\$ 799,930	\$ 32,257	\$ 2,428	\$ 2,245	\$ 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, 2022
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Assessor's Late Assessment Fee	American Rescue Plan Act	Juvenile Detention and Prisoner Care	Justice Assistance Grant (JAG)	Courtroom Security Grant	Mid-Delta Health Services Grant	Communication Facility and Equipment	Library Microfilm Memorial	Totals
REVENUES									
State aid					\$ 15,969			\$ 82,517	
Federal aid		\$ 650,795				\$ 299,167		951,041	
Property taxes	\$ 288							43,435	
Fines, forfeitures, and costs								56,586	
Interest		1,442			7		\$ 31	\$ 125	
Officers' fees							3,719	46,302	
Jail fees								3,580	
911 fees								181,474	
Commissary profit							19,132	19,132	
Donations								550	
Treasurer's commission								6,683	
Collector's commission								22,254	
Other								141	
TOTAL REVENUES	288	652,237			15,976	299,167	22,882	675	1,417,808
Less: Treasurer's commission									4,710
NET REVENUES	288	652,237			15,976	299,167	22,882	675	1,413,098
EXPENDITURES									
Current:									
General government		42,213			15,969				195,459
Law enforcement							17,363		39,642
Public safety									82,130
Health						299,167			299,167
Recreation and culture								743	46,126
TOTAL EXPENDITURES		42,213			15,969	299,167	17,363	743	662,524
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	288	610,024			7		5,519	(68)	750,574
FUND BALANCES - JANUARY 1	1,381	650,796	\$ 6,552	\$ 1	132		3,078	63,022	2,096,638
FUND BALANCES - DECEMBER 31	<u>\$ 1,669</u>	<u>\$ 1,260,820</u>	<u>\$ 6,552</u>	<u>\$ 1</u>	<u>\$ 139</u>	<u>\$ 0</u>	<u>\$ 8,597</u>	<u>\$ 62,954</u>	<u>\$ 2,847,212</u>

MONROE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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, 2022

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.
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.
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.
Courtroom 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.

MONROE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Mid-Delta Health Services Grant	Established to account for grant received for the purpose of funding an addition to the Mid-Delta Health System for COVID-19 related activities.
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.
Library Microfilm Memorial	Established to account for memorials and immaterial miscellaneous revenue for library expenditures.

Treasurer's accounts consist primarily of property taxes, treasurer commission, and interest 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, 2022
(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.

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, 2022
(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.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

1. (Continued)

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.

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, 2022, 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			\$ 1,772,629
Law enforcement			134,275
Highways and streets		\$ 5,330,495	
Public safety			799,930
Recreation and culture			140,378
Total Restricted		<u>5,330,495</u>	<u>2,847,212</u>
Unassigned	<u>\$ 1,777,891</u>		
Totals	<u>\$ 1,777,891</u>	<u>\$ 5,330,495</u>	<u>\$ 2,847,212</u>

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

3. Commitments

Total commitments consist of the following at December 31, 2022:

	December 31, 2022
Long-term liabilities	\$ 51,241
Lease	445,736
Reappraisal contract	178,164
Construction contracts	680,961
 Total Commitments	 \$ 1,356,102

Long-term Liabilities

Long-term liabilities at December 31, 2022, are comprised of the following:

	December 31, 2022
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 51,241

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.

Lease

The County entered into a lease agreement for three (3) Caterpillar motor graders on January 31, 2022. Terms of the lease are monthly rental payments of \$8,740 for 60 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 five years:

Year	December 31, 2022
2023	\$ 104,879
2024	104,879
2025	104,879
2026	104,879
2027	26,220
 Total	 \$ 445,736

Lease expense for 2022, was \$91,800.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

3. Commitments (Continued)

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 2022, was \$59,388.

The County is obligated for the following amounts at December 31, 2022:

Year	December 31, 2022
2023	\$ 59,388
2024	59,388
2025	59,388
Total	<u>\$ 178,164</u>

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2022:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2022
Monroe County Courthouse	October 19, 2024	\$ 655,128
Mid-Delta Health Clinic	May 5, 2023	<u>25,833</u>
Total Construction Contracts		<u>\$ 680,961</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 2022. 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 in 2022. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 902 N. Center, Lonoke, Arkansas 72086.

MONROE COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

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. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. 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, 2022, (date of APERS Employer Allocation Report) were \$185,443.

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, 2022, (actuarial valuation date and measurement date) was \$1,561,450.

7. Capital Assets

The County's capital assets records are summarized below:

	December 31, 2022
Land	\$ 34,200
Buildings	2,222,109
Equipment	2,941,655
Total	<u>\$ 5,197,964</u>

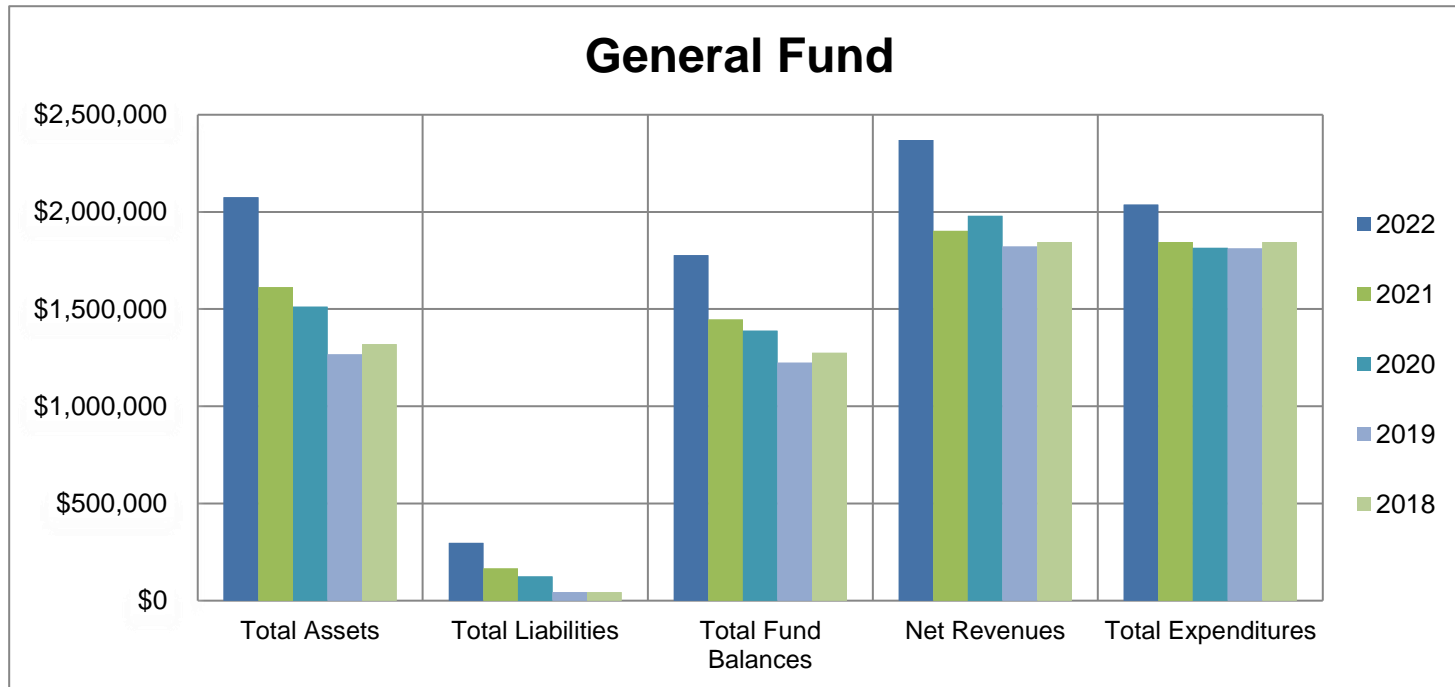
8. Corona Virus (COVID-19)

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). In 2021, the County was awarded \$1,301,592 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,301,592 of this amount has been received. In 2022, the County was awarded \$731,188 in federal aid from the Local Assistance and Tribal Consistency Fund, which was part of the American Rescue Plan Act of 2021. In 2023 and 2022, the County received funds in the amount of \$365,594 and \$365,594, respectively. 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, 2022
 (UNAUDITED)

Schedule 3-1

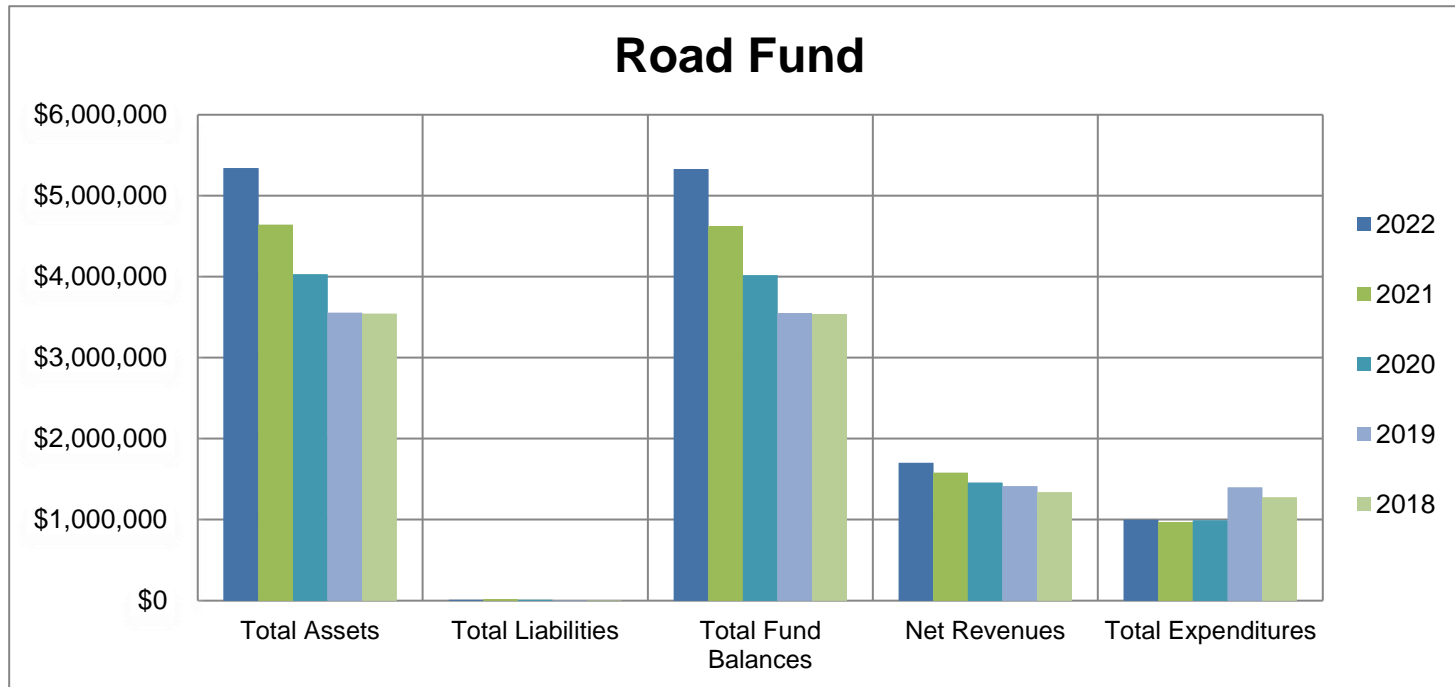
General	2022	2021	2020	2019	2018
Total Assets	\$ 2,075,615	\$ 1,612,381	\$ 1,511,813	\$ 1,266,676	\$ 1,319,696
Total Liabilities	297,724	166,182	123,571	43,197	43,781
Total Fund Balances	1,777,891	1,446,199	1,388,242	1,223,479	1,275,915
Net Revenues	2,369,626	1,902,620	1,979,493	1,822,459	1,845,304
Total Expenditures	2,037,934	1,844,663	1,814,730	1,812,412	1,844,264
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, 2022
 (UNAUDITED)

Schedule 3-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 5,341,259	\$ 4,641,133	\$ 4,027,041	\$ 3,556,042	\$ 3,541,745
Total Liabilities	10,764	16,446	10,005	3,867	2,891
Total Fund Balances	5,330,495	4,624,687	4,017,036	3,552,175	3,538,854
Net Revenues	1,702,275	1,579,129	1,455,736	1,411,280	1,337,739
Total Expenditures	996,467	971,478	990,875	1,397,959	1,274,466
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, 2022
 (UNAUDITED)

Schedule 3-3

Other Funds in the Aggregate	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 4,199,381	\$ 2,282,111	\$ 1,467,490	\$ 1,378,505	\$ 1,304,337
Total Liabilities	1,352,169	185,473	217,843	222,686	204,249
Total Fund Balances	2,847,212	2,096,638	1,249,647	1,155,819	1,100,088
Net Revenues	1,413,098	1,124,966	468,717	522,227	420,572
Total Expenditures	662,524	277,975	374,889	528,539	340,134
Total Other Financing Sources/Uses				62,043	

