

Monroe County, Arkansas
**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE



MONROE COUNTY, ARKANSAS
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Sen. Linda Chesterfield
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Monroe County, Arkansas, as of and for the year ended December 31, 2013, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Monroe County, Arkansas, as of December 31, 2013, or the revenues, expenditures, and changes in net position and where applicable, cash flows, thereof for the year then ended.

Basis for Qualified Opinions on Regulatory Basis of Accounting

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

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the omission of the information described in the "Basis for Qualified Opinions on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Monroe County, Arkansas, as of December 31, 2013, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
April 1, 2015
LOCO4813

Arkansas

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Sen. Linda Chesterfield
Senate Vice Chair



Rep. Mary Broadaway
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Rep. Sue Scott
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Monroe County, Arkansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated April 1, 2015. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were qualified because required disclosures were not made concerning deposit risks.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

2013-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

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

Compliance and Other Matters

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

Entity's Response to Finding

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

Other Issues

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

The commentary contained in this section relates to the following officials that held office during 2013:

County Judge: Larry Taylor
Treasurer and Tax Collector: Carol Self
Sheriff: Gary Henard
County Clerk: Tina Wofford
Circuit Clerk: Alice Smith
Assessor: Renee Neal
County Librarian: Jimmy Rogers

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

County Judge/County Clerk

Unauthorized per diem compensation totaling \$3,250 was improperly disbursed to four Quorum Court Justices who did not attend the Quorum Court meetings, in noncompliance with Ark. Code Ann. § 14-14-1205.

Sheriff

Commissary Fund receipts were not deposited in a timely manner and did not always indicate cash or check, and bank deposit slips did not contain the range of receipt numbers evidencing such collections, in conflict with Ark. Code Ann. § 14-25-103 and accepted accounting practices.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
April 1, 2015

MONROE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 1,172,936	\$ 3,165,162	\$ 1,020,863
Accounts receivable	22,964		11,315
Interfund receivables		4,497	18,703
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 1,195,900</u></u>	<u><u>\$ 3,169,659</u></u>	<u><u>\$ 1,050,881</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 17,858	\$ 6,000	\$ 5,809
Interfund payables	23,200		
Settlements pending	37,338		229,371
Total Liabilities	<u>78,396</u>	<u>6,000</u>	<u>235,180</u>
Fund Balances:			
Restricted		3,163,659	815,701
Unassigned	1,117,504		
Total Fund Balances	<u>1,117,504</u>	<u>3,163,659</u>	<u>815,701</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,195,900</u></u>	<u><u>\$ 3,169,659</u></u>	<u><u>\$ 1,050,881</u></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, 2013

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 225,228	\$ 1,212,071	\$ 95,591
Federal aid	27,880	25,408	51,434
Property taxes	533,109	244,369	40,866
Fines, forfeitures, and costs	348,525		79,261
Interest	2,606	11,860	1,779
Officers' fees	11,729		48,435
911 fees			117,710
Jail fees	16,082		
Treasurer's commission	52,567		6,631
Collector's commission	140,377		17,725
Taxes apportioned - Assessor's salary and expense	139,241		
Other	135,444	7,280	3,158
	<u>1,632,788</u>	<u>1,500,988</u>	<u>462,590</u>
TOTAL REVENUES			
Less: Treasurer's commission	26,920	18,394	4,989
	<u>1,605,868</u>	<u>1,482,594</u>	<u>457,601</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	719,599		117,286
Law enforcement	778,530		87,886
Highways and streets		1,429,180	
Public safety	14,114		108,751
Sanitation	13,052		
Health	21,603		
Recreation and culture			36,669
Social services	67,287		
Total Current	<u>1,614,185</u>	<u>1,429,180</u>	<u>350,592</u>
Debt Service:			
Lease principal		40,843	10,035
Lease interest		11,292	1,881
	<u>1,614,185</u>	<u>1,481,315</u>	<u>362,508</u>
TOTAL EXPENDITURES			

MONROE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (8,317)</u>	<u>\$ 1,279</u>	<u>\$ 95,093</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	32,115		21,000
Transfers out	<u>(21,000)</u>	<u>(10,769)</u>	<u>(21,346)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,115</u>	<u>(10,769)</u>	<u>(346)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,798	(9,490)	94,747
FUND BALANCES - JANUARY 1	<u>1,114,706</u>	<u>3,173,149</u>	<u>720,954</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,117,504</u></u>	<u><u>\$ 3,163,659</u></u>	<u><u>\$ 815,701</u></u>

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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 166,000	\$ 225,228	\$ 59,228	\$ 641,000	\$ 1,212,071	\$ 571,071
Federal aid	24,000	27,880	3,880	8,800	25,408	16,608
Property taxes	435,500	533,109	97,609	222,000	244,369	22,369
Fines, forfeitures, and costs	180,000	348,525	168,525			
Interest	1,500	2,606	1,106	4,000	11,860	7,860
Officers' fees	15,000	11,729	(3,271)			
Jail fees	20,000	16,082	(3,918)			
Treasurer's commission	50,000	52,567	2,567			
Collector's commission	130,000	140,377	10,377			
Taxes apportioned - Assessor's salary and expense	130,000	139,241	9,241			
Other	103,900	135,444	31,544		7,280	7,280
TOTAL REVENUES	1,255,900	1,632,788	376,888	875,800	1,500,988	625,188
Less: Treasurer's commission		26,920	(26,920)		18,394	(18,394)
NET REVENUES	1,255,900	1,605,868	349,968	875,800	1,482,594	606,794
EXPENDITURES						
Current:						
General government	897,258	719,599	177,659			
Law enforcement	935,821	778,530	157,291			
Highways and streets				1,909,320	1,429,180	480,140
Public safety	15,199	14,114	1,085			
Sanitation	13,890	13,052	838			
Health	29,295	21,603	7,692			
Social services	81,007	67,287	13,720			
Total Current	1,972,470	1,614,185	358,285	1,909,320	1,429,180	480,140
Debt Service:						
Lease principal					40,843	(40,843)
Lease interest					11,292	(11,292)
TOTAL EXPENDITURES	1,972,470	1,614,185	358,285	1,909,320	1,481,315	428,005

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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (716,570)	\$ (8,317)	\$ 708,253	\$ (1,033,520)	\$ 1,279	\$ 1,034,799
OTHER FINANCING SOURCES (USES)						
Transfers in	81,115	32,115	(49,000)			
Transfers out	(21,000)	(21,000)		(10,769)	(10,769)	
TOTAL OTHER FINANCING SOURCES (USES)	60,115	11,115	(49,000)	(10,769)	(10,769)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(656,455)	2,798	659,253	(1,044,289)	(9,490)	1,034,799
FUND BALANCES - JANUARY 1	841,000	1,114,706	273,706	2,995,000	3,173,149	178,149
FUND BALANCES - DECEMBER 31	<u>\$ 184,545</u>	<u>\$ 1,117,504</u>	<u>\$ 932,959</u>	<u>\$ 1,950,711</u>	<u>\$ 3,163,659</u>	<u>\$ 1,212,948</u>

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

MONROE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory Fund Accounting

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

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

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

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

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 grants that are restricted or committed for maintaining and constructing roads.

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

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following Special Revenue Funds are reported with other funds in the aggregate: County Clerk Automation, Circuit Court Automation, Child Support Cost, County Library, Reappraisal, Courtroom Security, Booking and Administration, Jail Maintenance, Treasurer's Automation, Collector's Automation, Assessor's Amendment no. 79, Emergency Rescue (Boating Safety), County Recorder's Cost, Drug Enforcement, Public Defender, Juvenile Probation, Emergency 911, Juvenile Detention and Prisoner Care, Library Microfilm Memorial, Sheriff's Communication, Fire Equipment and Training (Act 833), and Game and Fish Education.

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 following Capital Projects Funds are reported with other funds in the aggregate: State Homeland Security Grant (SHSGP), Law Enforcement Terrorism Program Grant (LETPP), Justice Assistance Grant (JAG), United States Department of Agricultural Sheriff's Car Grant, and Maddox Bay Fire Station.

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: County Treasurer (Property Tax Relief, Collector's Unapportioned, and County General School); Collector (Delinquent Tax); Sheriff (Commissary and Bond and Fine); County Clerk (Fee and Trust); and Circuit Clerk (Fee, Trust, and Circuit Bond).

MONROE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues 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 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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, 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.

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

MONROE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Fund Balance Classification Policies and Procedures

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

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

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

NOTE 2: Cash

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

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2013 is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Interest	\$ 28	
Officers' fees	601	\$ 3,919
Jail fees		725
911 fees		4,713
Fines, forfeitures, and costs	10,998	1,958
Other	11,337	
Totals	<u>\$ 22,964</u>	<u>\$ 11,315</u>

MONROE COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 17,858	\$ 6,000	\$ 5,809

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2013	
	Interfund Receivables	Interfund Payables
General		\$ 23,200
Road	\$ 4,497	
Other Funds in the Aggregate:		
Special Revenue:		
County Clerk Automation	3	
Circuit Court Automation	7	
County Library	468	
Booking and Administration	4	
Jail Maintenance	135	
Collector's Automation	17,725	
Assessor's Amendment no. 79	2	
Emergency Rescue (Boating Safety)	2	
County Recorder's Cost	92	
Juvenile Probation	2	
Emergency 911	263	
Totals	\$ 23,200	\$ 23,200

Interfund receivables and payables consist of excess treasurer's and collector's commissions. These balances were repaid in January, 2014.

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2013, the legal debt limit for bonded debt was \$9,126,459. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2013, the legal debt limit for short-term financing obligations was \$2,624,544. The amount of short-term financing obligations was \$495,306, leaving a legal debt margin of \$2,129,238.

MONROE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2013 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Restricted for:			
General government			\$ 244,446
Law enforcement			233,151
Highways and streets		\$ 3,163,659	
Public safety			198,740
Recreation and culture			107,353
Capital outlay			32,011
Total Restricted		<u>3,163,659</u>	<u>815,701</u>
Unassigned	\$ 1,117,504		
Totals	<u>\$ 1,117,504</u>	<u>\$ 3,163,659</u>	<u>\$ 815,701</u>

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2013:

	December 31, 2013
Long-term liabilities	\$ 518,605
Reappraisal Contract	<u>126,144</u>
Total Commitments	<u>\$ 644,749</u>

Long-term Liabilities

Long-term liabilities at December 31, 2013 are comprised of the following:

	December 31, 2013
2011 lease-purchase agreement with John Deere Credit for the purchase of one 7130 Tractor and one ditcher, monthly installments of \$1,759 for 60 months, interest rate of 4.55%, final payment in June of 2016. Payments to be made from Road Fund.	\$ 49,809
2012 lease-purchase agreement with Caterpillar for the purchase of one Caterpillar motor grader, monthly installments of \$1,274 for 36 months with a balloon payment of \$155,000 in November 2015, 0% interest. Payments to be made from the Road Fund.	185,595
2013 lease-purchase agreement with Caterpillar for the purchase of one 140M Caterpillar motor grader, monthly installments of \$2,065 for 36 months with a balloon payment of \$150,000 in October 2016, 0% interest. Payments to be made from the Road Fund.	220,219
2012 lease-purchase agreement with AT&T for Vesta Pallas 911 system upgrade, monthly installments of \$916 for 60 months, interest rate of 4.04%, final payment November 2017. Payments to be made from the Emergency 911 Fund.	39,683
Compensated absences	<u>23,299</u>
Total Long-term liabilities	<u>\$ 518,605</u>

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

MONROE COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

NOTE 9: Commitments (Continued)

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2013:

Years Ending December 31,	Leases
2014	\$ 73,955
2015	227,195
2016	190,451
2017	9,742
Total Obligations	501,343
Less Interest	6,037
Total Principal	\$ 495,306

Reappraisal Contract

The County entered into a contract dated December 1, 2010 with Delta Mass Appraisal Services, Inc., for reappraisal services. Terms of the contract require \$315,360 to be paid in monthly payments of \$5,256 for 60 months. The County is obligated for the following amount for the next two years:

Year	December 31, 2013
2014	\$ 63,072
2015	63,072
Total	\$ 126,144

Reappraisal expense for 2013 was \$63,072.

NOTE 10: Interfund Transfers

The General Fund transferred \$21,000 to the Other Funds in the Aggregate (United States Department of Agricultural Sheriff's Car Grant Fund) for grant assistance. The Road Fund and Other Funds in the Aggregate transferred \$10,769 and \$346 (Emergency 911 and County Library Funds), respectively to the General Fund for reimbursement of worker's compensation premiums.

Also, Other Funds in the Aggregate (Sheriff's Communication Fund) transferred \$21,000 to the General Fund as excess.

NOTE 11: Subsequent Events

On February 10, 2014, the County approved Resolution no. 2014-01, authorizing the Judge to enter into contracts for the construction of a new fire station at Maddox Bay. As of audit report date, the County had disbursed \$270,195 for this project. The County received the following two grants to fund the project: Delta Regional Authority and United States Department of Housing and Urban Development.

MONROE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 12: Joint Venture: Phillips, Lee, and Monroe 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 in the past until said duties and functions are altered by the Quorum Court as provided by law. The County Library paid \$35,883 for regional library expenditures in 2013. Contact the Phillips, Lee, and Monroe Regional Library at 702 Porter Street, Helena, AR 72342 to obtain financial statements.

NOTE 13: Jointly Governed Organizations

A. First Judicial District Drug Task Force

The First Judicial District Drug Task Force is a jointly governed organization comprised of representatives from Monroe, Lee, Phillips, St. Francis, Cross, and Woodruff Counties and participating cities within the aforementioned counties. The Sheriff from each county acts as a representative. The County did not pay any drug task force expenditures in 2013, but did collaborate for participation in the Justice Assistance Grant (JAG) Program. Separate financial statements for the First Judicial District Drug Task Force are not available.

B. Central Arkansas Regional Solid Waste Management District

Pursuant to Act 752 of the Acts 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 in the District and representatives of all first class cities, of all cities with a population 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 2013. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 902 N. Center, Lonoke, Arkansas, 72086.

NOTE 14: Risk Management

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

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

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

Vehicle Program

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

MONROE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 14: Risk Management (Continued)

Vehicle Program (Continued)

- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$500,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

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

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended December 31, 2013 were \$146,742.

NOTE 16: Related Party Transactions

The Quorum Court approved Monroe County Ordinance no. 454 (December 10, 2012) to authorize conducting business with Donald's Garage, owned by County Clerk Tina Wofford's spouse. In 2013, the County paid the business \$25,677 for County vehicle repairs.

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	County Clerk Automation	Circuit Court Automation	Child Support Cost	County Library	Reappraisal	Courtroom Security	Booking and Administration	Jail Maintenance	Treasurer's Automation
ASSETS									
Cash and cash equivalents	\$ 13,113	\$ 17,813	\$ 7,433	\$ 21,411	\$ 5,495	\$ 4,975	\$ 3,934	\$ 87,935	\$ 42,484
Accounts receivable	67	85					725	1,873	
Interfund receivables	3	7		468			4	135	
TOTAL ASSETS	\$ 13,183	\$ 17,905	\$ 7,433	\$ 21,879	\$ 5,495	\$ 4,975	\$ 4,663	\$ 89,943	\$ 42,484
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 259				\$ 2,676	\$ 1,449
Settlements pending									
Total Liabilities				259				2,676	1,449
Fund Balances:									
Restricted	\$ 13,183	\$ 17,905	\$ 7,433	21,620	\$ 5,495	\$ 4,975	\$ 4,663	87,267	41,035
Total Fund Balances	13,183	17,905	7,433	21,620	5,495	4,975	4,663	87,267	41,035
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,183	\$ 17,905	\$ 7,433	\$ 21,879	\$ 5,495	\$ 4,975	\$ 4,663	\$ 89,943	\$ 42,484

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Collector's Automation	Assessor's Amendment no. 79	Emergency Rescue (Boating Safety)	County Recorder's Cost	Drug Enforcement	Public Defender	Juvenile Probation	Emergency 911	Juvenile Detention and Prisoner Care
ASSETS									
Cash and cash equivalents	\$ 33,200	\$ 5,510	\$ 14,661	\$ 117,987	\$ 53	\$ 64,560	\$ 3,769	\$ 179,458	\$ 28,891
Accounts receivable				3,852				4,713	
Interfund receivables	17,725	2	2	92			2	263	
TOTAL ASSETS	\$ 50,925	\$ 5,512	\$ 14,663	\$ 121,931	\$ 53	\$ 64,560	\$ 3,771	\$ 184,434	\$ 28,891
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 1,068				\$ 357	
Settlements pending									
Total Liabilities				1,068				357	
Fund Balances:									
Restricted	\$ 50,925	\$ 5,512	\$ 14,663	120,863	\$ 53	\$ 64,560	\$ 3,771	184,077	\$ 28,891
Total Fund Balances	50,925	5,512	14,663	120,863	53	64,560	3,771	184,077	28,891
TOTAL LIABILITIES AND FUND BALANCES	\$ 50,925	\$ 5,512	\$ 14,663	\$ 121,931	\$ 53	\$ 64,560	\$ 3,771	\$ 184,434	\$ 28,891

MONROE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				AGENCY FUNDS			Totals
	Library Microfilm Memorial	Sheriff's Communication	United States Department of Agricultural Sheriff's Car Grant	Maddox Bay Fire Station	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	
ASSETS										
Cash and cash equivalents	\$ 85,733	\$ 21,066	\$ 21,000	\$ 11,011	\$ 56	\$ 53,176	\$ 24,048	\$ 5,992	\$ 146,099	\$ 1,020,863
Accounts receivable										11,315
Interfund receivables										18,703
TOTAL ASSETS	\$ 85,733	\$ 21,066	\$ 21,000	\$ 11,011	\$ 56	\$ 53,176	\$ 24,048	\$ 5,992	\$ 146,099	\$ 1,050,881
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable										\$ 5,809
Settlements pending					\$ 56	\$ 53,176	\$ 24,048	\$ 5,992	\$ 146,099	229,371
Total Liabilities					56	53,176	24,048	5,992	146,099	235,180
Fund Balances:										
Restricted	\$ 85,733	\$ 21,066	\$ 21,000	\$ 11,011						815,701
Total Fund Balances	85,733	21,066	21,000	11,011						815,701
TOTAL LIABILITIES AND FUND BALANCES	\$ 85,733	\$ 21,066	\$ 21,000	\$ 11,011	\$ 56	\$ 53,176	\$ 24,048	\$ 5,992	\$ 146,099	\$ 1,050,881

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, 2013

Schedule 2

SPECIAL REVENUE FUNDS									
	County Clerk Automation	Circuit Court Automation	Child Support Cost	County Library	Reappraisal	Courtroom Security	Booking and Administration	Jail Maintenance	Treasurer's Automation
REVENUES									
State aid					\$ 63,078				
Federal aid				\$ 1,285					
Property taxes				40,866					
Fines, forfeitures, and costs		\$ 2,974					\$ 3,210	\$ 60,342	
Interest	\$ 31	41	\$ 20	26	12	\$ 12	6	229	\$ 100
Officers' fees	1,421		123						
911 fees									
Treasurer's commission									6,631
Collector's commission									
Other	3	10	2	822				108	1,331
TOTAL REVENUES	1,455	3,025	145	42,999	63,090	12	3,216	60,679	8,062
Less: Treasurer's commission	27	57	3	740			35	1,125	
NET REVENUES	1,428	2,968	142	42,259	63,090	12	3,181	59,554	8,062
EXPENDITURES									
Current:									
General government			862		63,078				4,936
Law enforcement								44,889	
Public safety									
Recreation and culture				35,883					
Total Current			862	35,883	63,078			44,889	4,936
Debt Service:									
Lease principal									
Lease interest									
TOTAL EXPENDITURES			862	35,883	63,078			44,889	4,936
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,428	2,968	(720)	6,376	12	12	3,181	14,665	3,126
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out				(31)					
TOTAL OTHER FINANCING SOURCES (USES)				(31)					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,428	2,968	(720)	6,345	12	12	3,181	14,665	3,126
FUND BALANCES - JANUARY 1	11,755	14,937	8,153	15,275	5,483	4,963	1,482	72,602	37,909
FUND BALANCES - DECEMBER 31	\$ 13,183	\$ 17,905	\$ 7,433	\$ 21,620	\$ 5,495	\$ 4,975	\$ 4,663	\$ 87,267	\$ 41,035

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, 2013

Schedule 2

SPECIAL REVENUE FUNDS									
	Collector's Automation	Assessor's Amendment no. 79	Emergency Rescue (Boating Safety)	County Recorder's Cost	Drug Enforcement	Public Defender	Juvenile Probation	Emergency 911	Juvenile Detention and Prisoner Care
REVENUES									
State aid		\$ 873	\$ 735						
Federal aid									
Property taxes									
Fines, forfeitures, and costs						\$ 11,915	\$ 820		
Interest	\$ 84	14	36	\$ 290		152	9	\$ 404	
Officers' fees				42,798					
911 fees								117,710	
Treasurer's commission									
Collector's commission	17,725								
Other		2	3	529		5		238	
TOTAL REVENUES	17,809	889	774	43,617		12,072	829	118,352	
Less: Treasurer's commission		16	13	763			15	2,195	
NET REVENUES	17,809	873	761	42,854		12,072	814	116,157	
EXPENDITURES									
Current:									
General government	2,127			29,960					
Law enforcement						15,250			\$ 8,440
Public safety								74,338	
Recreation and culture									
Total Current	2,127			29,960		15,250		74,338	8,440
Debt Service:									
Lease principal								10,035	
Lease interest								1,881	
TOTAL EXPENDITURES	2,127			29,960		15,250		86,254	8,440
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,682	873	761	12,894		(3,178)	814	29,903	(8,440)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out								(315)	
TOTAL OTHER FINANCING SOURCES (USES)								(315)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	15,682	873	761	12,894		(3,178)	814	29,588	(8,440)
FUND BALANCES - JANUARY 1	35,243	4,639	13,902	107,969	\$ 53	67,738	2,957	154,489	37,331
FUND BALANCES - DECEMBER 31	<u>\$ 50,925</u>	<u>\$ 5,512</u>	<u>\$ 14,663</u>	<u>\$ 120,863</u>	<u>\$ 53</u>	<u>\$ 64,560</u>	<u>\$ 3,771</u>	<u>\$ 184,077</u>	<u>\$ 28,891</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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS					Totals
	Library Microfilm Memorial	Sheriff's Communication	Fire Equipment and Training (Act 833)	Game and Fish Education	State Homeland Security Grant (SHSGP)	Law Enforcement Terrorism Program Grant (LETPP)	Justice Assistance Grant (JAG)	United States Department of Agricultural Sheriff's Car Grant	Maddox Bay Fire Station	
REVENUES										
State aid			\$ 9,156	\$ 16,323					\$ 5,426	\$ 95,591
Federal aid					\$ 19,831	\$ 15,007	\$ 4,300		11,011	51,434
Property taxes										40,866
Fines, forfeitures, and costs										79,261
Interest	\$ 193	\$ 120								1,779
Officers' fees		4,093								48,435
911 fees										117,710
Treasurer's commission										6,631
Collector's commission										17,725
Other	105									3,158
TOTAL REVENUES	298	4,213	9,156	16,323	19,831	15,007	4,300		16,437	462,590
Less: Treasurer's commission										4,989
NET REVENUES	298	4,213	9,156	16,323	19,831	15,007	4,300		16,437	457,601
EXPENDITURES										
Current:										
General government				16,323						117,286
Law enforcement						15,007	4,300			87,886
Public safety			9,156		19,831			5,426		108,751
Recreation and culture	786									36,669
Total Current	786		9,156	16,323	19,831	15,007	4,300	5,426		350,592
Debt Service:										
Lease principal										10,035
Lease interest										1,881
TOTAL EXPENDITURES	786		9,156	16,323	19,831	15,007	4,300	5,426		362,508
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(488)	4,213							11,011	95,093
OTHER FINANCING SOURCES (USES)										
Transfers in								\$ 21,000		21,000
Transfers out		(21,000)								(21,346)
TOTAL OTHER FINANCING SOURCES (USES)		(21,000)						21,000		(346)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(488)	(16,787)						21,000	11,011	94,747
FUND BALANCES - JANUARY 1	86,221	37,853								720,954
FUND BALANCES - DECEMBER 31	<u>\$ 85,733</u>	<u>\$ 21,066</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,000</u>	<u>\$ 11,011</u>	<u>\$ 815,701</u>

MONROE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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

<u>Fund Name</u>	<u>Fund Description</u>
County Clerk Automation	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by County Clerks to be used to purchase, maintain, and operate an automated records 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.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's Office.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the Quorum Court for the support, operation, and maintenance of the public library.
Reappraisal	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Courtroom Security	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for Circuit and District Courts.
Booking and Administration	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 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.
Jail 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; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
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 commissions to operate the Collector's Office and to purchase, maintain, and operate an automated record keeping system.

MONROE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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

<u>Fund Name</u>	<u>Fund Description</u>
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 costs of administering Arkansas Constitution, Amendment no. 79.
Emergency Rescue (Boating Safety)	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by Circuit Clerks to be used to purchase, maintain, and operate automated records system.
Drug Enforcement	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Juvenile Probation	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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
Library Microfilm Memorial	Fund established at the library to account for memorials and immaterial miscellaneous revenue for library expenditures.
Sheriff's Communication	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.

MONROE COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

<u>Fund Name</u>	<u>Fund Description</u>
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the county to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.
Game and Fish Education	Ark. Code Ann. § 6-16-1101 established fund to receive grants to be distributed to school districts or conservation districts for the sole purpose of approved conservation education programs.
State Homeland Security Grant (SHSGP)	Fund established to receive grant monies to purchase Arkansas Wireless Information Network compatible equipment.
Law Enforcement Terrorism Program Grant (LETPP)	Fund established to receive grant monies to purchase Arkansas Wireless Information Network compatible equipment.
Justice Assistance Grant (JAG)	Fund established to receive grant monies to purchase equipment for the Sheriff's department.
United States Department of Agricultural Sheriff's Car Grant	Fund established to receive grant monies to purchase police vehicles.
Maddox Bay Fire Station	Fund established to receive a Delta Regional Authority Grant (#AR-10964EC) and a United States Department of Housing and Urban Development Grant (#790-087712) to construct fire station.

Treasurer's accounts consist primarily of property taxes not yet distributed to the appropriate authorities.

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

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

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

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

MONROE COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2013
(Unaudited)

Schedule 3

	<u>December 31, 2013</u>
Land	\$ 34,200
Buildings	2,222,109
Equipment	<u>2,705,499</u>
Total	<u>\$ 4,961,808</u>

MONROE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2013
(Unaudited)

Schedule 4

<u>General</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assets	\$ 1,195,900	\$ 1,189,332	\$ 1,424,302	\$ 1,567,651	\$ 1,502,825
Total Liabilities	78,396	74,626	60,126	15,070	2,163
Total Fund Balances	1,117,504	1,114,706	1,364,176	1,552,581	1,500,662
Net Revenues	1,605,868	1,949,893	2,401,733	1,703,257	1,642,834
Total Expenditures	1,614,185	2,138,732	2,590,138	1,651,338	1,366,901
Total Other Financing Sources/Uses	11,115	(476)			(54,223)
<u>Road</u>					
Total Assets	\$ 3,169,659	\$ 3,201,961	\$ 3,269,549	\$ 4,348,646	\$ 2,359,411
Total Liabilities	6,000	28,812	10,260	38,672	96,543
Total Fund Balances	3,163,659	3,173,149	3,259,289	4,309,974	2,262,868
Net Revenues	1,482,594	1,302,854	1,079,195	3,666,902	1,405,953
Total Expenditures	1,481,315	1,331,872	2,129,880	1,619,796	907,694
Total Other Financing Sources/Uses	(10,769)				
<u>Other Funds in the Aggregate</u>					
Total Assets	\$ 1,050,881	\$ 925,483	\$ 1,019,661	\$ 977,481	\$ 807,752
Total Liabilities	235,180	204,602	336,477	324,820	229,678
Total Fund Balances	815,701	720,881	683,184	652,661	578,074
Net Revenues	457,601	510,646	363,379	465,085	448,823
Total Expenditures	362,508	472,022	361,056	390,496	490,905
Total Other Financing Sources/Uses	(346)	476			54,223