

**Madison County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2018**

**FILED**

**MAY 12 2020**

BY *TAMITHA LOCKER* D.C.  
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COUNTY AND PROBATE CLERK  
MADISON COUNTY, ARKANSAS

LEGISLATIVE JOINT AUDITING COMMITTEE



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# Arkansas

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Senate Chair  
Sen. Eddie Cheatham  
Senate Vice Chair



Rep. Richard Womack  
House Chair  
Rep. DeAnn Vaught  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Madison 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 Madison County, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements as listed in the table of contents.

#### *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 Ark. Code Ann. § 10-4-412, 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 from 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 control. 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 Ark. Code Ann. § 10-4-412, 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 Madison County, Arkansas, as of December 31, 2018, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, 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 Madison County, Arkansas, as of December 31, 2018, 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 Ark. Code Ann. § 10-4-412 described in Note 1.

### ***Other Matters***

#### ***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, the supplementary 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 it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2020, 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, CFF  
Legislative Auditor

Little Rock, Arkansas  
April 2, 2020  
LOCO04418

# Arkansas

Sen. Jason Rapert  
Senate Chair  
Sen. Eddie Cheatham  
Senate Vice Chair



Rep. Richard Womack  
House Chair  
Rep. DeAnn Vaught  
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 AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### INDEPENDENT AUDITOR'S REPORT

Madison 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 Madison County, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated April 2, 2020. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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. 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 unmodified.

#### 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.

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. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### 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.

We also reported to management of the County in a separate letter dated April 2, 2020.

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



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
April 2, 2020

# Arkansas



**Sen. Jason Rapert**  
Senate Chair  
**Sen. Eddie Cheatham**  
Senate Vice Chair

**Rep. Richard Womack**  
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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2018:

County Judge: Frank Weaver  
Treasurer: Toni Moffett  
Sheriff: Rick Evans  
Tax Collector: DeAnna McElhane  
County Clerk: Tamitha Blocker  
Circuit Clerk: Judy Foster  
Assessor: Will Jones  
County Librarian: Staci Evans

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

#### Other Matters

On October 10, 2018, two unauthorized withdrawals totaling \$4,772 were made from a County bank account. Entity personnel discovered the unauthorized withdrawals upon review of the affected bank account, and the funds were recovered from the bank.

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

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Marti Steel in cursive script.

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
April 2, 2020

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MADISON COUNTY, ARKANSAS  
 BALANCE SHEET - REGULATORY BASIS  
 DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,655,820	\$ 1,179,297	\$ 3,060,736
Accounts receivable	54,479	129,848	208,757
Interfund receivables		41,703	27,820
<b>TOTAL ASSETS</b>	<b>\$ 1,710,299</b>	<b>\$ 1,350,848</b>	<b>\$ 3,297,313</b>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 82,884	\$ 94,623	\$ 46,500
Interfund payables	69,523		
Settlements pending	150,148		317,647
<b>Total Liabilities</b>	<b>302,555</b>	<b>94,623</b>	<b>364,147</b>
Fund Balances:			
Restricted		1,256,225	1,817,724
Committed			949,877
Assigned	793,311		165,565
Unassigned	614,433		
<b>Total Fund Balances</b>	<b>1,407,744</b>	<b>1,256,225</b>	<b>2,933,166</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,710,299</b>	<b>\$ 1,350,848</b>	<b>\$ 3,297,313</b>

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

MADISON COUNTY, ARKANSAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 675,409	\$ 1,606,638	\$ 87,324
Federal aid	116,835	23,264	1,186,285
Property taxes	783,771	419,434	181,100
Sales taxes		1,453,128	1,238,629
Fines, forfeitures, and costs	246,230		24,751
Interest	28,355	10,685	19,956
Officers' fees	68,923		135,781
Jail Fees	72,357		960
Sanitation Fees		36,363	636,904
Sale of Assets			22,943
911 Fees			246,891
Ambulance Fees			522,920
Treasurer's commission	86,583		19,109
Collector's commission	114,522		31,111
Taxes apportioned - Assessor's salary and expense	148,175	607	
Other	143,563	111,531	69,741
	2,484,723	3,661,650	4,424,405
TOTAL REVENUES			
Less: Treasurer's commission	23,985	38,428	39,796
	2,460,738	3,623,222	4,384,609
NET REVENUES			
EXPENDITURES			
Current:			
General government	1,034,954		330,361
Law enforcement	1,862,848		89,338
Highways and streets		3,759,399	725,000
Public safety	173,477		248,517
Sanitation			681,154
Health	20,267		1,301,909
Recreation and culture	5,307		214,731
Social services	47,433		
	3,144,286	3,759,399	3,591,010
TOTAL EXPENDITURES			

MADISON COUNTY, ARKANSAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (683,548)	\$ (136,177)	\$ 793,599
OTHER FINANCING SOURCES (USES)			
Transfers in	576,000		
Transfers out			(576,000)
TOTAL OTHER FINANCING SOURCES (USES)	576,000		(576,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(107,548)	(136,177)	217,599
FUND BALANCES - JANUARY 1	1,515,292	1,392,402	2,715,567
FUND BALANCES - DECEMBER 31	\$ 1,407,744	\$ 1,256,225	\$ 2,933,166

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

MADISON 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, 2018

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
State aid	\$ 376,835	\$ 675,409	\$ 298,574	\$ 1,417,000	\$ 1,606,638	\$ 189,638
Federal aid	97,000	116,835	19,835	24,000	23,264	(736)
Property taxes	991,644	783,771	(207,873)	540,680	419,434	(121,246)
Sales taxes				1,180,000	1,453,128	273,128
Fines, forfeitures, and costs	236,000	246,230	10,230			
Interest	6,025	28,355	22,330	8,000	10,685	2,685
Officers' fees	85,000	68,923	(16,077)			
Jail Fees		72,357	72,357			
Sale of Assets					36,363	36,363
Treasurer's commission	90,156	86,583	(3,573)			
Collector's commission	110,163	114,522	4,359			
Taxes apportioned - Assessor's salary and expense	126,139	148,175	22,036		607	607
Other	176,968	143,563	(33,405)	40,000	111,531	71,531
<b>TOTAL REVENUES</b>	<b>2,295,930</b>	<b>2,484,723</b>	<b>188,793</b>	<b>3,209,680</b>	<b>3,661,650</b>	<b>451,970</b>
Less: Treasurer's commission		23,985	(23,985)		38,428	(38,428)
<b>NET REVENUES</b>	<b>2,295,930</b>	<b>2,460,738</b>	<b>164,808</b>	<b>3,209,680</b>	<b>3,623,222</b>	<b>413,542</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,296,257	1,034,954	261,303			
Law enforcement	2,056,459	1,862,848	193,611			
Highways and streets				4,382,955	3,759,399	623,556
Public safety	80,470	173,477	(93,007)			
Health	25,500	20,267	5,233			
Recreation and culture	12,150	5,307	6,843			
Social services	8,088	47,433	(39,345)			
<b>TOTAL EXPENDITURES</b>	<b>3,478,924</b>	<b>3,144,286</b>	<b>334,638</b>	<b>4,382,955</b>	<b>3,759,399</b>	<b>623,556</b>

MADISON 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, 2018

	General		Variance Favorable (Unfavorable)	Road		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,182,994)	\$ (683,548)	\$ 499,446	\$ (1,173,275)	\$ (136,177)	\$ 1,037,098
OTHER FINANCING SOURCES (USES) Transfers in	610,795	576,000	(34,795)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(572,199)	(107,548)	464,651	(1,173,275)	(136,177)	1,037,098
FUND BALANCES - JANUARY 1	807,000	1,515,292	708,292	1,340,000	1,392,402	52,402
FUND BALANCES - DECEMBER 31	\$ 234,801	\$ 1,407,744	\$ 1,172,943	\$ 166,725	\$ 1,256,225	\$ 1,089,500

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

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MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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 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, 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, sales taxes, and federal disaster funds 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. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

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

**Agency Funds** - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Agency Funds as reported with other funds in the aggregate.

MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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 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 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.

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.

**D. 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.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, excess treasurer's commission, 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. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
3. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.
4. 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.



MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**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 operating funds.

**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 an 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.

**NOTE 2: Cash Deposits with Financial Institutions**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 597,657	\$ 600,396
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	5,295,206	5,555,644
Total Deposits	\$ 5,892,863	\$ 6,156,040

The above total deposits do not include cash on hand of \$2,990.

MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 452		
Property taxes	8,240	\$ 4,944	\$ 1,648
Sales taxes		119,631	100,450
Fines, forfeitures, and costs	9,980		1,597
Interest			3
Officers' fees	4,192		10,725
Jail Fees	8,128		10
911 Fees			31,126
Ambulance Fees			61,948
Other	23,487	5,273	1,251
Totals	<u>\$ 54,479</u>	<u>\$ 129,848</u>	<u>\$ 208,757</u>

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 82,884</u>	<u>\$ 94,623</u>	<u>\$ 46,500</u>

MADISON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2018	
	Interfund Receivables	Interfund Payables
General Fund		\$ 69,523
Road Fund	\$ 41,703	
Other Funds in the Aggregate:		
Special Revenue Funds:		
County Library	3,908	
Solid Waste	5,987	
Emergency 911	2,208	
One-Percent Sales Tax	15,717	
	\$ 69,523	\$ 69,523

Interfund receivables and payables consist of excess treasurer's commission. These balances were repaid August 2019.

MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 7: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 970,409
Law enforcement			87,596
Highways and streets		\$ 1,256,225	
Public safety			362,650
Sanitation			191,265
Recreation and culture			205,804
Total Restricted		1,256,225	1,817,724
Committed for:			
Health			949,877
Assigned to:			
General government	\$ 50,536		
Law enforcement	742,775		
Public safety			72,102
Sanitation			93,463
Total Assigned	793,311		165,565
Unassigned	614,433		
Totals	\$ 1,407,744	\$ 1,256,225	\$ 2,933,166

**NOTE 8: 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, 2018, the legal debt limit for bonded debt was \$17,623,685. 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, 2018, the legal debt limit for short-term financing obligations was \$4,953,605. There were no short-term financing obligations.

MADISON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 9: Commitments**

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Long-term liabilities	\$ 197,988
Noncancellable lease	48,457
Reappraisal contract	413,100
Total Commitments	\$ 659,545

Long-term Liabilities

Long-term liabilities at December 31, 2018, are comprised of the following:

	December 31, 2018
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 197,988

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

Post Employment Benefits Other Than Pensions

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

Noncancellable Lease

The County entered into a noncancellable lease agreement for fourteen (14) John Deere motor graders on March 28, 2017. Terms of the lease are monthly rental payments of \$1,154 per grader for twenty-four (24) months. At the end of the lease term, the County will return graders to the Lessor per the terms of the lease. The County is obligated for the following amounts:

Year	December 31, 2018
2019	\$ 48,457

Rental expense for 2018 was \$193,828.

MADISON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 9: Commitments (Continued)**

Reappraisal Contract

The County entered into a professional services contract dated October 18, 2016 for \$688,500, with Arkansas CAMA Technology, Inc. for countywide reappraisal of real property for the period January 1, 2017 through December 31, 2021. Terms of the contract call for 60 equal monthly payments of \$11,475. The County is obligated for the following amounts:

Year	December 31, 2018
2019	\$ 137,700
2020	137,700
2021	137,700
Total	\$ 413,100

Reappraisal expense for 2018 was \$137,700.

**NOTE 10: Interfund Transfers**

The Other Funds in the Aggregate (One-Percent Sales Tax) transferred \$576,000 to the General Fund to remit sales tax revenue received in excess of operating costs of the ambulance service.

**NOTE 11: Joint Venture: Regional Library**

Carroll and Madison Counties entered into an agreement on January 19, 2000, in accordance with Ark. Code Ann. § 13-2-401 to establish the Carroll and Madison Library System (the System). The agreement states that the intent is to enhance public library services to all residents of Carroll and Madison Counties. The System is financed by state aid to which Carroll and Madison Counties were entitled with the provision that members would receive excess funding, distributed quarterly in the same ratio as paid in, as well as obligated to make up shortfalls in funding in the same proportion as their respective state aid allocations. Madison County paid \$18,171 for regional library expenditures in 2018. Separate financial statements of the System are available at: CAMLS, 106 Spring Street, Berryville, AR 72616-3846.

**NOTE 12: Jointly Governed Organizations**

Boston Mountain Solid Waste District

Madison, Washington, Carroll, and Benton counties entered into an agreement in April 1991 to form the Four County (NW) Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-707. This agreement stated their emphasis will be on recycling, composting, and waste reduction. In February 2005, only Washington and Madison County remained in the agreement and the name was changed to Boston Mountain Solid Waste District. Madison County paid \$7,723 to the Boston Mountain Solid Waste District during 2018. Separate financial statements of the Boston Mountain Solid Waste District may be obtained at: 11398 Bond Road, Prairie Grove, AR 72752.

Fourth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourth Judicial District, the Washington County Sheriff's Department, the Madison County Sheriff's Department and the Police Departments of the University of Arkansas, Fayetteville, Springdale, Prairie Grove, Lincoln, Farmington, Johnson, Elkins, Greenland, West Fork, Elm Springs, Tontitown, Huntsville, and Goshen entered into an agreement to establish the Fourth Judicial District Drug Task Force. Funding was provided through Justice Assistance Grants and local funding provided by the Prosecuting Attorney's Office, Washington County Sheriff's Department, and local police departments. Separate financial statements for the Fourth Judicial Drug Task Force were not available.

MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 13: 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.
- 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 \$350,000. 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 \$300,000 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 14: 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](http://www.apers.org).

MADISON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 14: Arkansas Public Employees Retirement System (Continued)**

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2018 (date of APERS Employer Allocation Report) were \$497,698.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is 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, 2018 (actuarial valuation date and measurement date) was \$3,973,795.

**NOTE 15: Subsequent Events**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the County is uncertain.



MADISON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Property Tax Relief	County Clerk's Cost	County Recorder's Cost	County Library	Disaster Relief	Solid Waste
ASSETS									
Cash and cash equivalents	\$ 34,942	\$ 50,021	\$ 20,496	\$ 15,065	\$ 13,465	\$ 60,727	\$ 204,012	\$ 720,363	\$ 291,467
Accounts receivable			135		149	7,072	2,221		1
Interfund receivables							3,908		5,987
<b>TOTAL ASSETS</b>	<b>\$ 34,942</b>	<b>\$ 50,021</b>	<b>\$ 20,631</b>	<b>\$ 15,065</b>	<b>\$ 13,614</b>	<b>\$ 67,799</b>	<b>\$ 210,141</b>	<b>\$ 720,363</b>	<b>\$ 297,455</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 579	\$ 161				\$ 1,223	\$ 4,337		\$ 12,727
Settlements pending									
<b>Total Liabilities</b>	<b>\$ 579</b>	<b>\$ 161</b>				<b>\$ 1,223</b>	<b>\$ 4,337</b>		<b>\$ 12,727</b>
Fund Balances:									
Restricted	34,363	49,860	\$ 20,631	\$ 15,065	\$ 13,614	66,576	205,804	\$ 720,363	191,265
Committed									
Assigned									
<b>Total Fund Balances</b>	<b>\$ 34,363</b>	<b>\$ 49,860</b>	<b>\$ 20,631</b>	<b>\$ 15,065</b>	<b>\$ 13,614</b>	<b>\$ 66,576</b>	<b>\$ 205,804</b>	<b>\$ 720,363</b>	<b>\$ 191,265</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 34,942</b>	<b>\$ 50,021</b>	<b>\$ 20,631</b>	<b>\$ 15,065</b>	<b>\$ 13,614</b>	<b>\$ 67,799</b>	<b>\$ 210,141</b>	<b>\$ 720,363</b>	<b>\$ 297,455</b>

MADISON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	Child Support Enforcement	Communication Facility and Equipment	Drug Control	Special Detention	Emergency Rescue Service	Emergency 911	One-Percent Sales Tax	Drug Court Program
ASSETS								
Cash and cash equivalents	\$ 258	\$ 6,358	\$ 24,788	\$ 45,790	\$ 493	\$ 405,295	\$ 779,123	\$ 381
Accounts receivable		632	679	1,607		31,126	162,398	380
Interfund receivables						2,208	15,717	
<b>TOTAL ASSETS</b>	<b>\$ 258</b>	<b>\$ 6,990</b>	<b>\$ 25,467</b>	<b>\$ 47,397</b>	<b>\$ 493</b>	<b>\$ 438,629</b>	<b>\$ 957,238</b>	<b>\$ 761</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 51	\$ 425	\$ 5,792	\$ 9,684		\$ 3,877	\$ 7,361	
Settlements pending								
Total Liabilities	51	425	5,792	9,684		3,877	7,361	
Fund Balances:								
Restricted	207	6,565	19,675	37,713	\$ 493	362,650	949,877	\$ 761
Committed								
Assigned						72,102		
Total Fund Balances	207	6,565	19,675	37,713	493	434,752	949,877	761
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 258</b>	<b>\$ 6,990</b>	<b>\$ 25,467</b>	<b>\$ 47,397</b>	<b>\$ 493</b>	<b>\$ 438,629</b>	<b>\$ 957,238</b>	<b>\$ 761</b>

MADISON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2018

	SPECIAL REVENUE FUNDS					AGENCY FUNDS					Totals
	County Recorder's Automation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	Circuit Clerk's Accounts				
<b>ASSETS</b>											
Cash and cash equivalents	\$ 67,393	\$ 1,758	\$ 894	\$ 47,163	\$ 74,334	\$ 14,382	\$ 181,768				\$ 3,060,736
Accounts receivable	2,357										208,757
Interfund receivables											27,820
<b>TOTAL ASSETS</b>	<u>\$ 69,750</u>	<u>\$ 1,758</u>	<u>\$ 894</u>	<u>\$ 47,163</u>	<u>\$ 74,334</u>	<u>\$ 14,382</u>	<u>\$ 181,768</u>				<u>\$ 3,297,313</u>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	\$ 283										\$ 46,500
Settlements pending				\$ 47,163	\$ 74,334	\$ 14,382	\$ 181,768				317,647
Total Liabilities	<u>283</u>			<u>47,163</u>	<u>74,334</u>	<u>14,382</u>	<u>181,768</u>				<u>364,147</u>
Fund Balances:											
Restricted	69,467	\$ 1,758	\$ 894								1,817,724
Committed											949,877
Assigned											165,565
Total Fund Balances	<u>69,467</u>	<u>1,758</u>	<u>894</u>								<u>2,933,166</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 69,750</u>	<u>\$ 1,758</u>	<u>\$ 894</u>	<u>\$ 47,163</u>	<u>\$ 74,334</u>	<u>\$ 14,382</u>	<u>\$ 181,768</u>				<u>\$ 3,297,313</u>

MADISON 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, 2018

SPECIAL REVENUE FUNDS										
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Property Tax Relief	County Clerk's Cost	County Recorder's Cost	County Library	Disaster Relief	Solid Waste	
REVENUES										
State aid				\$ 5,054			\$ 32,431	\$ 1,053,627	\$ 18,243	
Federal aid							162,857		18,490	
Property taxes										
Sales taxes										
Fines, forfeitures, and costs										
Interest	\$ 314	\$ 354	\$ 202	\$ 159	\$ 126	\$ 751	1,913		2,611	
Officers' fees			3,309		3,331	88,120				
Jail Fees										
Sanitation Fees										
Sale of Assets										
911 Fees										
Ambulance Fees										636,904
Treasurer's commission	19,109	31,111				3,503	19,074			10,120
Collector's commission										
Other										
TOTAL REVENUES	19,423	31,465	3,537	5,248	3,486	92,374	216,275	1,053,627	686,368	
Less: Treasurer's commission	19,423	31,465	67	101	64	1,776	3,737		7,422	
NET REVENUES			3,470	5,147	3,422	90,598	212,538	1,053,627	678,946	
EXPENDITURES										
Current:										
General government	15,718	31,080		647		101,572		24,854		
Law enforcement			1,105					4,885		
Highways and streets								725,000		
Public safety										
Sanitation										681,154
Health										
Recreation and culture							214,731			
TOTAL EXPENDITURES	15,718	31,080	1,105	647		101,572	214,731	754,539	681,154	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,705	385	2,365	4,500	3,422	(10,974)	(2,193)	299,088	(2,208)	
OTHER FINANCING SOURCES (USES) Transfers out										
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,705	385	2,365	4,500	3,422	(10,974)	(2,193)	299,088	(2,208)	
FUND BALANCES - JANUARY 1	30,658	49,475	18,266	10,565	10,192	77,550	207,997	421,275	286,936	
FUND BALANCES - DECEMBER 31	\$ 34,363	\$ 49,860	\$ 20,631	\$ 15,065	\$ 13,614	\$ 66,576	\$ 205,804	\$ 720,363	\$ 284,728	

MADISON 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, 2018

	SPECIAL REVENUE FUNDS							
	Child Support Enforcement	Communication Facility and Equipment	Drug Control	Special Detention	Emergency Rescue Service	Emergency 911	One-Percent Sales Tax	Drug Court Program
REVENUES								
State aid					\$ 1,136		\$ 44,703	
Federal aid								
Property taxes							1,220,139	
Sales taxes				\$ 24,751				
Fines, forfeitures, and costs				514	8	\$ 4,391	7,852	\$ 767
Interest	5	\$ 83						
Officers' fees	760	8,217		960				
Jail Fees								
Sanitation Fees			\$ 22,943					
Sale of Assets						246,891	522,920	
911 Fees								
Ambulance Fees								
Treasurer's commission	7	71	4,634	284	9	3,423	28,256	
Collector's commission	792	8,371	27,577	26,509	1,153	254,705	1,823,870	767
Other	16	166	459	518	23	5,353	19,484	6
	776	8,205	27,118	25,991	1,130	249,352	1,804,386	761
TOTAL REVENUES								
Less: Treasurer's commission								
NET REVENUES								
EXPENDITURES								
Current:	938							
General government		10,879	29,462	38,080	1,000			
Law enforcement								
Highways and streets								
Public safety						248,517		
Sanitation								
Health							1,301,909	
Recreation and culture								
TOTAL EXPENDITURES	938	10,879	29,462	38,080	1,000	248,517	1,301,909	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(162)	(2,674)	(2,344)	(12,089)	130	835	502,477	761
OTHER FINANCING SOURCES (USES)							(576,000)	
Transfers out								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(162)	(2,674)	(2,344)	(12,089)	130	835	(73,523)	761
FUND BALANCES - JANUARY 1	369	9,239	22,019	49,802	363	433,917	1,023,400	0
FUND BALANCES - DECEMBER 31	207	\$ 6,565	\$ 19,675	\$ 37,713	\$ 493	\$ 434,752	\$ 949,877	\$ 761

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MADISON 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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	Totals
	Sheriff's Office K9 Project	County Recorders Automation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Community Grants		
REVENUES							
State aid					\$ 4,000		\$ 87,324
Federal aid						\$ 132,658	1,186,285
Property taxes							181,100
Sales taxes							1,238,629
Fines, forfeitures, and costs		\$ 667					24,751
Interest		29,450	\$ 1,205	\$ 602			19,956
Officers' fees							135,781
Jail Fees							960
Sanitation Fees							636,904
Sale of Assets							22,943
911 Fees							246,891
Ambulance Fees							522,920
Treasurer's commission							19,109
Collector's commission							31,111
Other		267			3		69,741
<b>TOTAL REVENUES</b>		30,384	1,205	611	4,000	132,658	4,424,405
Less: Treasurer's commission		592		12			39,796
<b>NET REVENUES</b>		29,792	1,205	599	4,000	132,658	4,384,609
EXPENDITURES							
Current:							
General government		18,894			4,000	132,658	330,361
Law enforcement	\$ 4,127						89,338
Highways and streets							725,000
Public safety							248,517
Sanitation							681,154
Health							1,301,909
Recreation and culture							214,731
<b>TOTAL EXPENDITURES</b>		18,894			4,000	132,658	3,591,010
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>		(4,127)					793,599
OTHER FINANCING SOURCES (USES)							
Transfers out							(576,000)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>		(4,127)					217,599
FUND BALANCES - JANUARY 1		4,127			553		2,715,567
FUND BALANCES - DECEMBER 31	\$ 0	\$ 69,467	\$ 1,758	\$ 894	\$ 0	\$ 0	\$ 2,933,166

MADISON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2018

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 commissions 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 Property Tax Relief	Ark. Code Ann. § 26-26-310 provides that one percent 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 Ark. Const. amend. 79.
County Clerk's Cost	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.
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.
County 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.
Disaster Relief	Established to account for federal grants received to repair county roads and bridges damaged by floods and severe weather.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the County by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on a fee schedule contained in an ordinance. Madison County Ordinance no. 2013-2 (January 1, 2013) authorized solid waste management fees to be used exclusively for the operation of the solid waste program.



MADISON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Child Support Enforcement	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Drug Control	Ark. Code Ann. § 5-64-505 and Madison County Ordinance no. 2015-6 (August 17, 2015) established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Special Detention	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.
Emergency Rescue Service	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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
One-Percent Sales Tax	Madison County Ordinance no. 1982-3 (September 20, 1982) established a one percent county sales tax to provide emergency ambulance service operating costs.
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Sheriff's Office K9 Project	Established to account for donations received for K9 unit expenditures.

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MADISON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
County Recorder's Automation	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.
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 expenses of the office of Circuit Clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive delinquent assessment fees of fifty cents for each list, which shall be utilized by the county assessor to help pay for the expense of assessing property.
Community Grants	Established to account for grants received from the Arkansas Department of Rural Services for the improvement of the County's community center and fire department.
Witter Water Extension	Established to account for grants received from the Arkansas Economic Development Commission for Witter Water improvements.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and interest not distributed to the appropriate agencies.

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

Sheriff's accounts consist primarily of bonds and fees settlement money to be settled with the treasurer.

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

MADISON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2018  
(Unaudited)

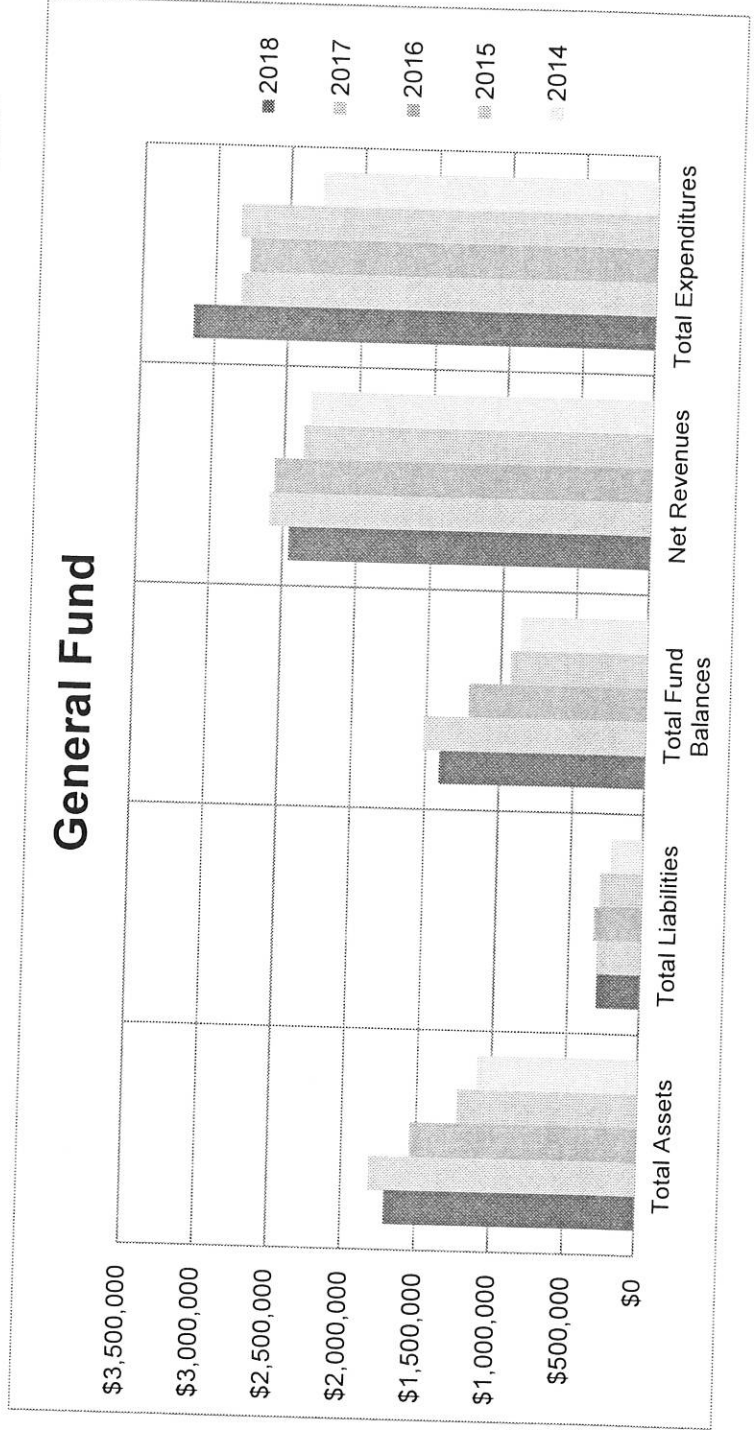
Schedule 3

	<u>December 31, 2018</u>
Land	\$ 489,727
Buildings	2,588,445
Equipment	8,215,135
Improvements	<u>64,511</u>
Total	<u><u>\$ 11,357,817</u></u>

MADISON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2018  
 (Unaudited)

Schedule 4-1

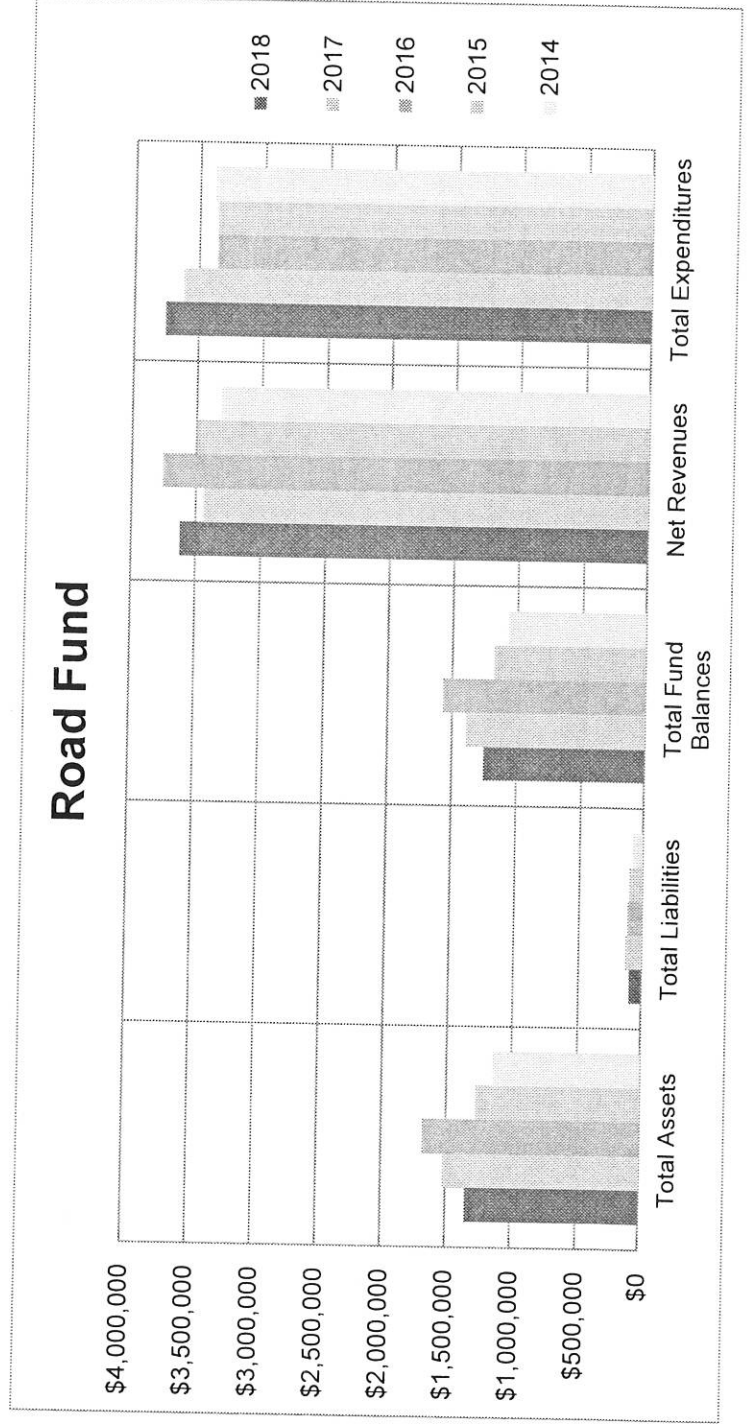
<u>General</u>	2018	2017	2016	2015	2014
Total Assets	\$ 1,710,299	\$ 1,817,614	\$ 1,542,177	\$ 1,228,145	\$ 1,096,269
Total Liabilities	302,555	302,322	330,684	291,652	222,662
Total Fund Balances	1,407,744	1,515,292	1,211,493	936,493	873,607
Net Revenues	2,460,738	2,592,448	2,568,305	2,373,731	2,332,545
Total Expenditures	3,144,286	2,820,946	2,767,305	2,834,841	2,292,081
Total Other Financing Sources/Uses	576,000	554,000	474,000	523,996	234,178



MADISON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2018  
 (Unaudited)

Schedule 4-2

<u>Road</u>	2018	2017	2016	2015	2014
Total Assets	\$ 1,350,848	\$ 1,521,033	\$ 1,685,316	\$ 1,272,303	\$ 1,145,955
Total Liabilities	94,623	128,631	112,241	97,451	71,169
Total Fund Balances	1,256,225	1,392,402	1,573,075	1,174,852	1,074,786
Net Revenues	3,623,222	3,440,904	3,760,963	3,494,678	3,314,088
Total Expenditures	3,759,399	3,621,578	3,362,740	3,366,639	3,381,799
Total Other Financing Sources/Uses				(27,973)	413,400



MADISON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2018  
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2018	2017	2016	2015	2014
Total Assets	\$ 3,297,313	\$ 3,058,362	\$ 2,777,070	\$ 2,517,483	\$ 2,264,045
Total Liabilities	364,147	342,795	364,098	218,088	162,824
Total Fund Balances	2,933,166	2,715,567	2,412,972	2,299,395	2,101,221
Net Revenues	4,384,607	4,260,902	3,366,276	2,917,695	3,866,597
Total Expenditures	3,591,010	3,403,618	2,778,699	2,223,498	2,723,284
Total Other Financing Sources/Uses	(576,000)	(554,000)	(474,000)	(496,023)	(647,578)

