

Mississippi County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2014

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS
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Senate Chair
Sen. Linda Chesterfield
Senate Vice Chair



Rep. Mary Broadaway
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Rep. Sue Scott
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Mississippi 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 Mississippi County, Arkansas, as of and for the year ended December 31, 2014, 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 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 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 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 Mississippi County, Arkansas, as of December 31, 2014, or the revenues, expenditures, and changes in net position and where applicable, cash flows, thereof for the year then ended.

Basis for Adverse Opinion on Regulatory Basis of Accounting

The Mississippi County Library and County Hospital Board Funds have not been included in the County's regulatory basis financial statements. The regulatory basis as prescribed or permitted by Ark. Code Ann. § 10-4-412, requires the Mississippi County Library and County Hospital Board Funds to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues, and expenditures. The amount by which this departure would affect the assets, liabilities, revenues, and expenditures of the other funds in the aggregate column is not reasonably determinable. The County's financial statements also do not disclose all the required information concerning deposit risk. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Adverse Opinion on Regulatory Basis of Accounting

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory basis of accounting, as described in Note 1, the financial position of the other funds in the aggregate of Mississippi County, Arkansas, as of December 31, 2014, and the regulatory basis revenues, expenditures, and changes in net position 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 risk. 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 and road fund of Mississippi County, Arkansas, as of December 31, 2014, 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 Ark. Code Ann. § 10-4-412 described in Note 1.

Supplementary and Other Information

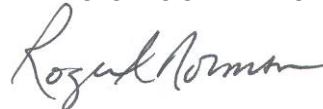
Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matters discussed above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

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 March 21, 2016, 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
March 21, 2016
LOCO04714

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Linda Chesterfield
Senate Vice Chair



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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

Mississippi 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 Mississippi County, Arkansas, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated March 21, 2016. 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 opinion on the other funds in the aggregate was adverse because of the effects on the financial statements of not including the Mississippi County Library and County Hospital Board Funds, which are material to other funds in the aggregate. Our opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit risk.

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:

2014-1 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 2014:

County Judge: Randy Carney
Treasurer: Peggy Meatte
Sheriff: Dale Cook
Tax Collector: Patricia Caldwell
County Clerk: Janice Currie
Circuit Clerk: Donna Hart
Assessor: Harley Bradley

Our audit procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with accepted accounting practices was noted in the offices of **County Judge, Sheriff, Tax Collector, and Assessor.**

The following Information Systems Weaknesses were discovered during a review of computer applications:

County Judge, Tax Collector, and Assessor

There was no documented remote access security policy. Failure to establish and communicate an adequate remote access security policy could result in the unnecessary exposure or misuse of information resources.

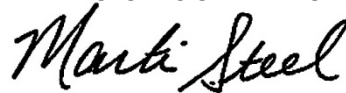
Sheriff

Password controls did not meet minimum industry standards. Passwords were not required to contain a mixture of alpha and numeric characters. User accounts were not locked after three unsuccessful login attempts. A password history file was not maintained to prevent re-use of previous passwords. Failure to establish proper password controls increases the likelihood that an unauthorized person could gain access to the system.

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
March 21, 2016

MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2014

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,139,590	\$ 918,265	\$ 8,112,034
Accounts receivable	1,553,967	98,776	971,168
Interfund receivables	50,000		
TOTAL ASSETS	\$ 3,743,557	\$ 1,017,041	\$ 9,083,202
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 153,788	\$ 76,319	\$ 392,166
Interfund payables			50,000
Settlements pending		1,854	4,061,345
Total Liabilities	153,788	78,173	4,503,511
Fund Balances:			
Restricted		938,868	4,475,962
Assigned	606,687		103,729
Unassigned	2,983,082		
Total Fund Balances	3,589,769	938,868	4,579,691
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,743,557	\$ 1,017,041	\$ 9,083,202

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

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 762,197	\$ 1,908,066	\$ 262,176
Federal aid	102,338		845,204
Property taxes	3,008,888	875,224	527,681
Sales taxes	2,143,543		4,947,882
Fines, forfeitures, and costs	621,907		152,386
Interest	13,581	3,693	29,089
Officers' fees	120,854		291,242
Jail fees			707,377
Emergency 911 fees			340,570
Landfill fees			2,866,308
Treasurer's commission	93,562		56,882
Collector's commission	265,622		110,952
Taxes apportioned - Assessor's salary and expense	524,352		
Other	568,370	1,268	125,121
TOTAL REVENUES	8,225,214	2,788,251	11,262,870
Less: Treasurer's commission	53,808	21,930	79,833
NET REVENUES	8,171,406	2,766,321	11,183,037
EXPENDITURES			
Current:			
General government	2,919,611		11,195,455
Law enforcement	3,338,849		3,762,476
Highways and streets		2,622,357	
Public safety	33,839		402,749
Sanitation			3,508,316
Health	91,230		
Social services	109,392		696,887
Total Current	6,492,921	2,622,357	19,565,883
Debt Service:			
Lease principal		112,701	
Lease interest		20,735	
Note principal			121,188
Note interest			3,083
TOTAL EXPENDITURES	6,492,921	2,755,793	19,690,154

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,678,485</u>	<u>\$ 10,528</u>	<u>\$ (8,507,117)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			1,845,763
Transfers out	(1,615,233)		(230,530)
Property taxes transferred to County Hospital Board			(545,577)
Loan to County Hospital Board			(387,000)
Repayment of loan from County Hospital Board			<u>387,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,615,233)</u>		<u>1,069,656</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	63,252	10,528	(7,437,461)
FUND BALANCES - JANUARY 1	<u>3,526,517</u>	<u>928,340</u>	<u>12,017,152</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,589,769</u></u>	<u><u>\$ 938,868</u></u>	<u><u>\$ 4,579,691</u></u>

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

MISSISSIPPI 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, 2014

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 760,612	\$ 762,197	\$ 1,585	\$ 1,899,815	\$ 1,908,066	\$ 8,251
Federal aid		102,338	102,338			
Property taxes	2,803,209	3,008,888	205,679	816,677	875,224	58,547
Sales taxes	2,086,836	2,143,543	56,707			
Fines, forfeitures, and costs	750,475	621,907	(128,568)			
Interest	9,099	13,581	4,482	998	3,693	2,695
Officers' fees	181,244	120,854	(60,390)			
Treasurer's commission	212,880	93,562	(119,318)			
Collector's commission	331,678	265,622	(66,056)			
Taxes apportioned - Assessor's salary and expense	542,363	524,352	(18,011)			
Other	550,857	568,370	17,513	7,000	1,268	(5,732)
TOTAL REVENUES	8,229,253	8,225,214	(4,039)	2,724,490	2,788,251	63,761
Less: Treasurer's commission		53,808	(53,808)		21,930	(21,930)
NET REVENUES	8,229,253	8,171,406	(57,847)	2,724,490	2,766,321	41,831
EXPENDITURES						
Current:						
General government	2,902,549	2,919,611	(17,062)			
Law enforcement	3,380,082	3,338,849	41,233			
Highways and streets				3,144,664	2,622,357	522,307
Public safety	33,636	33,839	(203)			
Health	91,231	91,230	1			
Social services	107,534	109,392	(1,858)			
Total Current	6,515,032	6,492,921	22,111	3,144,664	2,622,357	522,307
Debt Service:						
Lease principal					112,701	(112,701)
Lease interest					20,735	(20,735)
TOTAL EXPENDITURES	6,515,032	6,492,921	22,111	3,144,664	2,755,793	388,871

MISSISSIPPI 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, 2014

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,714,221	\$ 1,678,485	\$ (35,736)	\$ (420,174)	\$ 10,528	\$ 430,702
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000		(50,000)			
Transfers out	(1,674,514)	(1,615,233)	59,281			
TOTAL OTHER FINANCING SOURCES (USES)	(1,624,514)	(1,615,233)	9,281			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	89,707	63,252	(26,455)	(420,174)	10,528	430,702
FUND BALANCES - JANUARY 1		3,526,517	3,526,517		928,340	928,340
FUND BALANCES - DECEMBER 31	\$ 89,707	\$ 3,589,769	\$ 3,500,062	\$ (420,174)	\$ 938,868	\$ 1,359,042

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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. The following funds of the County are not presented in this report: Mississippi County Library and County Hospital Board.

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.

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. The General Fund heading as it appears in the financial statements includes the following accounts: General, Inmate Incentive, Sheriff Emergency Operations, Employee Insurance, Sheriff Commissary, and Landfill Certificate of Deposit.

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 and property taxes that are restricted 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: Treasurer's Automation, Collector's Automation, Court Automation, Assessor's Amendment no. 79, County Clerk's Automation, County Recorder's Cost, Solid Waste, Child Support Collection Costs, Sheriff's Communication, Facility and Equipment, Detention Center (Act 1188), Boating Safety (Act 122), Emergency 911, Fire Equipment and Training (Act 833), Juvenile Fees, Voting System Grant, Circuit Clerk Commissioner's Fees, County Hospital, Senior Citizens, Economic Development, Sheriff's Firing Range, Sheriff's Helicopter, Local Emergency Response Grant, Officers' Protection Equipment, County Jail Sales Tax, Juvenile Detention, Homeland Security Grants, Justice Assistance Grant 2011, Delta Regional Authority Grant, Port Security Grant Program, General Improvement Funded Community Enhancement Grant, and Courtroom Security State Grant.

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: Treasurer: Public Defender User Fee, Treasurer's Commission, Collector's Commission, Current Tax, Current Property Tax Relief, Timber Tax, State Land Commissioner, Blytheville Law Library, Justice Enhancement Fund Act 1809, Investment and Savings Interest, Justice Fund Act 1256, State Highway Transportation, Drug Crime Special Assessment, Child Passenger Sheriff Report, No Liability Insurance Sheriff Report, Deoxyribonucleic Acid Sheriff Report, Act 65, 431, and 2246, Cash Bond, Osceola Law Library, Levee Tax Blytheville, and Change Fund; Collector: Current Tax, Delinquent Tax, and Change; Sheriff: Bond and Fee, Commissary, Petty Cash, and Change; County Clerk: Fee, Payroll Tax, and Change; Circuit Clerk: Fee, Trust, Direct Deposit, and Change; County Judge: Landfill and Change; Juvenile Probation; and Senior Citizens Petty Cash.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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. 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 and savings accounts and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, interest, fees, payroll settlements, and tax settlements 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. 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.
3. 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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law (Continued)

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.

There were no committed fund balances at year-end.

NOTE 2: Cash

Deposit risk 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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2014, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 25,222
Federal aid	\$ 6,351		5,985
Property taxes	275,014	\$ 65,595	42,049
Sales taxes	162,505		375,093
Fines, forfeitures, and costs	25,047		5,844
Interest	281	321	663
Officers' fees	9,165		20,824
Jail fees			4,756
Emergency 911 fees			8,093
Landfill fees			243,020
Treasurer's commission	93,562		
Collector's commission	262,958		110,952
Taxes apportioned-Assessor's salary and expense	521,294		
Other	117,165		3,589
Excess Treasurer's commission	80,625	32,860	125,078
Totals	<u>\$ 1,553,967</u>	<u>\$ 98,776</u>	<u>\$ 971,168</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2014, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 153,788</u>	<u>\$ 76,319</u>	<u>\$ 392,166</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2014	
	Interfund Receivables	Interfund Payables
General	\$ 50,000	
Other Funds in the Aggregate:		
Special Revenue:		
Solid Waste		\$ 50,000
Totals	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Interfund receivables and payables consist of an interfund loan. This balance is expected to be repaid when funds are available.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 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, 2014, the legal debt limit for bonded debt was \$52,036,115. 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, 2014, the legal debt limit for short-term financing obligations was \$14,696,828. The amount of short-term financing obligations was \$792,416, leaving a legal debt margin of \$13,904,412.

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2014, are composed of the following:

Description	Fund	Fund	the Aggregate
Restricted for:			
General government			\$ 4,131,638
Law enforcement			160,396
Highways and streets		\$ 938,868	
Public safety			136,206
Health			47,722
Total Restricted		<u>938,868</u>	<u>4,475,962</u>
Assigned to:			
General government	\$ 776		
Law enforcement	45,004		91,027
Sanitation	560,907		6,981
Social services			5,721
Total Assigned	<u>606,687</u>		<u>103,729</u>
Unassigned	<u>2,983,082</u>		
Totals	<u>\$ 3,589,769</u>	<u>\$ 938,868</u>	<u>\$ 4,579,691</u>

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2014:

	December 31, 2014
Long-term liabilities	<u>\$ 2,936,862</u>

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2014, are comprised of the following:

	December 31, 2014
Estimated liability for landfill closure and postclosure care costs.	\$ 2,144,446
Note payable entered on November 7, 2011, with Caterpillar Financial Services to rebuild a Caterpillar motor grader; interest at 4.60%; monthly installments of \$5,790 for 36 months. Payments are to be made from the Solid Waste Fund.	5,768
Lease payable entered into on August 28, 2012, with Bancorp South Finance to purchase a John Deere motor grader; interest at 2.24%; monthly installments of \$1,162 for 36 months and one payment of \$115,000. Payments are to be made from the Road Fund.	126,270
Lease payable entered into on August 26, 2012, with Caterpillar Financial Services to purchase a Caterpillar motor grader; interest at 3.20%; monthly installments of \$1,661 for 36 months and one payment of \$136,661. Payments are to be made from the Road Fund.	144,010
Lease payable entered into on June 3, 2013, with Bancorp South Finance to purchase five Mack dump trucks; interest at 2.29%; monthly installments of \$7,797 and one payment of \$392,500. Payments are to be made from the Road Fund.	516,368
Total Long-term liabilities	\$ 2,936,862

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

Landfill Closure and Postclosure Care Costs

State and federal laws require that Mississippi County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at landfill sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting waste, the County is required to recognize a portion of these closure and postclosure care costs each year based on the landfills' capacity used as of each balance sheet date. The estimated liability for landfill and postclosure care costs has a balance of \$2,144,446 as of December 31, 2014, which is based on 84% use of the class one landfill and 2% use of the class four landfill's capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,025,858 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has set aside \$560,907 as an assigned fund balance in the General Fund intended for closure and postclosure care costs. Also, a letter of credit from Southern Bancorp of \$1,448,203 has been issued.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2014:

Years Ending December 31,	Notes	Leases	Total
2015	\$ 6,056	\$ 368,484	\$ 374,540
2016		439,281	439,281
Total Obligations	6,056	807,765	813,821
Less Interest	288	21,117	21,405
Total Principal	\$ 5,768	\$ 786,648	\$ 792,416

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10: Interfund Transfers

The General Fund transferred \$1,615,233 to Other Funds in the Aggregate for operating purposes. Other Funds in the Aggregate transferred \$230,530 from within Other Funds in the Aggregate for operating purposes.

NOTE 11: Joint Venture: Mississippi County/Crittenden County Regional Library

Mississippi and Crittenden Counties entered into an agreement in July 1991 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mississippi County/Crittenden County Regional Library. The agreement states that the purpose for forming the regional library is "...providing improved library services to the people of the two counties. Each county shall provide its own library facilities and exercise exclusive control, ownership and management thereof, and pay the salaries for regional county library personnel in that county." The business of the Mississippi County/Crittenden County Regional Library is to be conducted by a regional board, composed of the two administrative county boards (10 members) which boards shall continue to function over their respective systems. The Regional Library Board shall approve the employment and termination of regional library personnel, the regional budget and expenditures, and regional library policies. The system headquarters shall be in Mississippi County, Arkansas. The County made no payments to the Mississippi County/Crittenden County Regional Library in 2014. Contact the Mississippi County/Crittenden County Regional Library at 200 North 5th Street, Blytheville, Arkansas 72315 to obtain financial statements.

NOTE 12: 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 \$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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 12: Risk Management (Continued)

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 13: 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, 2014 were \$938,666.

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	Solid Waste	Child Support Collection Costs	Sheriff's Communication, Facility and Equipment
ASSETS									
Cash and cash equivalents	\$ 54,209	\$ 75,292	\$ 34,234	\$ 5,680	\$ 13,523	\$ 118,485		\$ 1,450	\$ 495
Accounts receivable	5,466	110,969	1,164	1	688	21,522	\$ 276,574	11	2,582
TOTAL ASSETS	\$ 59,675	\$ 186,261	\$ 35,398	\$ 5,681	\$ 14,211	\$ 140,007	\$ 276,574	\$ 1,461	\$ 3,077
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 456				\$ 515	\$ 219,593		\$ 490
Interfund payables							50,000		
Settlements pending									
Total Liabilities		456				515	269,593		490
Fund Balances:									
Restricted	\$ 59,675	185,805	\$ 35,398	\$ 5,681	\$ 14,211	139,492		\$ 1,461	2,587
Assigned							6,981		
Total Fund Balances	59,675	185,805	35,398	5,681	14,211	139,492	6,981	1,461	2,587
TOTAL LIABILITIES AND FUND BALANCES	\$ 59,675	\$ 186,261	\$ 35,398	\$ 5,681	\$ 14,211	\$ 140,007	\$ 276,574	\$ 1,461	\$ 3,077

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS										
	Detention Center (Act 1188)	Boating Safety (Act 122)	Emergency 911	Fire Equipment and Training (Act 833)	Juvenile Fees	Voting System Grant	Circuit Clerk Commissioner's Fees	County Hospital	Senior Citizens	Economic Development
ASSETS										
Cash and cash equivalents		\$ 671	\$ 151,297		\$ 48,847	\$ 2,350	\$ 8,395		\$ 52	\$ 3,468,642
Accounts receivable	\$ 6,528	29	13,151	\$ 4,574	1,840		98	\$ 48,842	27,368	293,101
TOTAL ASSETS	\$ 6,528	\$ 700	\$ 164,448	\$ 4,574	\$ 50,687	\$ 2,350	\$ 8,493	\$ 48,842	\$ 27,420	\$ 3,761,743
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable			\$ 36,154						\$ 21,699	\$ 47,273
Interfund payables										
Settlements pending							\$ 1,120			
Total Liabilities			36,154				1,120	1,120	21,699	47,273
Fund Balances:										
Restricted	\$ 6,528	\$ 700	128,294	\$ 4,574	\$ 50,687	\$ 2,350	\$ 8,493	47,722		3,714,470
Assigned									5,721	
Total Fund Balances	6,528	700	128,294	4,574	50,687	2,350	8,493	47,722	5,721	3,714,470
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,528	\$ 700	\$ 164,448	\$ 4,574	\$ 50,687	\$ 2,350	\$ 8,493	\$ 48,842	\$ 27,420	\$ 3,761,743

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS

	Sheriff's Firing Range	Sheriff's Helicopter	Local Emergency Response Grant	Officers' Protection Equipment	County Jail Sales Tax	Juvenile Detention	Homeland Security Grants	Justice Assistance Grant 2011	Port Security Grant Program
ASSETS									
Cash and cash equivalents	\$ 718	\$ 13,268	\$ 736	\$ 2,054		\$ 19,251	\$ 1,902	\$ 29,381	\$ 877
Accounts receivable		3			\$ 156,657				
TOTAL ASSETS	\$ 718	\$ 13,271	\$ 736	\$ 2,054	\$ 156,657	\$ 19,251	\$ 1,902	\$ 29,381	\$ 877
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 45				\$ 65,630	\$ 311			
Interfund payables									
Settlements pending									
Total Liabilities	45				65,630	311			
Fund Balances:									
Restricted	673	\$ 13,271	\$ 736	\$ 2,054		18,940	\$ 1,902	\$ 29,381	\$ 877
Assigned					91,027				
Total Fund Balances	673	13,271	736	2,054	91,027	18,940	1,902	29,381	877
TOTAL LIABILITIES AND FUND BALANCES	\$ 718	\$ 13,271	\$ 736	\$ 2,054	\$ 156,657	\$ 19,251	\$ 1,902	\$ 29,381	\$ 877

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

AGENCY FUNDS									
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge's Accounts	Juvenile Probation Accounts	Senior Citizens Account	Totals
ASSETS									
Cash and cash equivalents	\$ 3,434,254	\$ 324,453	\$ 66,934	\$ 34,696	\$ 81,050	\$ 114,700	\$ 3,788	\$ 350	\$ 8,112,034
Accounts receivable									971,168
TOTAL ASSETS	<u>\$ 3,434,254</u>	<u>\$ 324,453</u>	<u>\$ 66,934</u>	<u>\$ 34,696</u>	<u>\$ 81,050</u>	<u>\$ 114,700</u>	<u>\$ 3,788</u>	<u>\$ 350</u>	<u>\$ 9,083,202</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 392,166
Interfund payables									50,000
Settlements pending	\$ 3,434,254	\$ 324,453	\$ 66,934	\$ 34,696	\$ 81,050	\$ 114,700	\$ 3,788	\$ 350	4,061,345
Total Liabilities	<u>3,434,254</u>	<u>324,453</u>	<u>66,934</u>	<u>34,696</u>	<u>81,050</u>	<u>114,700</u>	<u>3,788</u>	<u>350</u>	<u>4,503,511</u>
Fund Balances:									
Restricted									4,475,962
Assigned									103,729
Total Fund Balances									<u>4,579,691</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,434,254</u>	<u>\$ 324,453</u>	<u>\$ 66,934</u>	<u>\$ 34,696</u>	<u>\$ 81,050</u>	<u>\$ 114,700</u>	<u>\$ 3,788</u>	<u>\$ 350</u>	<u>\$ 9,083,202</u>

MISSISSIPPI 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	Solid Waste	Child Support Collection Costs
REVENUES								
State aid				\$ 4,217				
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 14,365					
Interest	\$ 152	\$ 311	89	17	\$ 26	\$ 398	\$ 196	\$ 4
Officers' fees					7,834	234,780		886
Jail fees								
Emergency 911 fees								
Landfill fees							2,866,308	
Treasurer's commission	56,882							
Collector's commission		110,952						
Other							4,723	
TOTAL REVENUES	57,034	111,263	14,454	4,234	7,860	235,178	2,871,227	890
Less: Treasurer's commission			114		64	1,865	22,393	7
NET REVENUES	57,034	111,263	14,340	4,234	7,796	233,313	2,848,834	883
EXPENDITURES								
Current:								
General government	66,721	77,201		2,684	572	267,177		490
Law enforcement			9,389					
Public safety								
Sanitation							3,508,316	
Social services								
Total Current	66,721	77,201	9,389	2,684	572	267,177	3,508,316	490
Debt Service:								
Note principal							121,188	
Note interest							3,083	
TOTAL EXPENDITURES	66,721	77,201	9,389	2,684	572	267,177	3,632,587	490
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,687)	34,062	4,951	1,550	7,224	(33,864)	(783,753)	393
OTHER FINANCING SOURCES (USES)								
Transfers in							621,423	
Transfers out								
Property taxes transferred to County Hospital Board								
Loan to County Hospital Board								
Repayment of loan from County Hospital Board								
TOTAL OTHER FINANCING SOURCES (USES)							621,423	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,687)	34,062	4,951	1,550	7,224	(33,864)	(162,330)	393
FUND BALANCES - JANUARY 1	69,362	151,743	30,447	4,131	6,987	173,356	169,311	1,068
FUND BALANCES - DECEMBER 31	\$ 59,675	\$ 185,805	\$ 35,398	\$ 5,681	\$ 14,211	\$ 139,492	\$ 6,981	\$ 1,461

MISSISSIPPI 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS							
	Sheriff's Communication, Facility and Equipment	Detention Center (Act 1188)	Boating Safety (Act 122)	Emergency 911	Fire Equipment and Training (Act 833)	Juvenile Fees	Voting System Grant	Circuit Clerk Commissioner's Fees
REVENUES								
State aid			\$ 2,351		\$ 20,031		\$ 15,379	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs		\$ 138,021						
Interest	\$ 41	10	1	\$ 420		\$ 109		\$ 4
Officers' fees	13,750					26,034		7,958
Jail fees								
Emergency 911 fees				340,570				
Landfill fees								
Treasurer's commission								
Collector's commission								
Other	22,401							
TOTAL REVENUES	36,192	138,031	2,352	340,990	20,031	26,143	15,379	7,962
Less: Treasurer's commission	310	1,113	19	3,359		196		64
NET REVENUES	35,882	136,918	2,333	337,631	20,031	25,947	15,379	7,898
EXPENDITURES								
Current:								
General government							13,029	
Law enforcement	15,062					7,625		
Public safety			2,243	369,274	19,932			
Sanitation								
Social services								
Total Current	15,062		2,243	369,274	19,932	7,625	13,029	
Debt Service:								
Note principal								
Note interest								
TOTAL EXPENDITURES	15,062		2,243	369,274	19,932	7,625	13,029	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,820	136,918	90	(31,643)	99	18,322	2,350	7,898
OTHER FINANCING SOURCES (USES)								
Transfers in				92				
Transfers out	(27,829)	(138,039)		(61,973)				
Property taxes transferred to County Hospital Board								
Loan to County Hospital Board								
Repayment of loan from County Hospital Board								
TOTAL OTHER FINANCING SOURCES (USES)	(27,829)	(138,039)		(61,881)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,009)	(1,121)	90	(93,524)	99	18,322	2,350	7,898
FUND BALANCES - JANUARY 1	9,596	7,649	610	221,818	4,475	32,365		595
FUND BALANCES - DECEMBER 31	\$ 2,587	\$ 6,528	\$ 700	\$ 128,294	\$ 4,574	\$ 50,687	\$ 2,350	\$ 8,493

MISSISSIPPI 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS							County Jail Sales Tax
	County Hospital	Senior Citizens	Economic Development	Sheriff's Firing Range	Sheriff's Helicopter	Local Emergency Response Grant	Officers' Protection Equipment	
REVENUES								
State aid	\$ 57,922	\$ 150,976						
Federal aid		296,913						\$ 6,800
Property taxes	527,681							
Sales taxes			\$ 3,298,588					1,649,294
Fines, forfeitures, and costs								
Interest	117	22	27,047	\$ 2	\$ 39	\$ 2		82
Officers' fees								
Jail fees								707,377
Emergency 911 fees								
Landfill fees								
Treasurer's commission								
Collector's commission								
Other		63,476	5,074					29,447
TOTAL REVENUES	585,720	511,387	3,330,709	2	39	2		2,393,000
Less: Treasurer's commission	4,464		26,597					19,268
NET REVENUES	581,256	511,387	3,304,112	2	39	2		2,373,732
EXPENDITURES								
Current:								
General government			10,377,823					
Law enforcement				307	3,230		\$ 83	3,374,037
Public safety								
Sanitation								
Social services		696,887						
Total Current		696,887	10,377,823	307	3,230		83	3,374,037
Debt Service:								
Note principal								
Note interest								
TOTAL EXPENDITURES		696,887	10,377,823	307	3,230		83	3,374,037
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	581,256	(185,500)	(7,073,711)	(305)	(3,191)	2	(83)	(1,000,305)
OTHER FINANCING SOURCES (USES)								
Transfers in		217,887						973,941
Transfers out								
Property taxes transferred to County Hospital Board	(545,577)							
Loan to County Hospital Board	(387,000)							
Repayment of loan from County Hospital Board	387,000							
TOTAL OTHER FINANCING SOURCES (USES)	(545,577)	217,887						973,941
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	35,679	32,387	(7,073,711)	(305)	(3,191)	2	(83)	(26,364)
FUND BALANCES - JANUARY 1	12,043	(26,666)	10,788,181	978	16,462	734	2,137	117,391
FUND BALANCES - DECEMBER 31	\$ 47,722	\$ 5,721	\$ 3,714,470	\$ 673	\$ 13,271	\$ 736	\$ 2,054	\$ 91,027

MISSISSIPPI 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS						Totals
	Juvenile Detention	Homeland Security Grants	Justice Assistance Grant 2011	Delta Regional Authority Grant	Port Security Grant Program	General Improvement Funded Community Enhancement Grant	
REVENUES							
State aid						\$ 11,300	\$ 262,176
Federal aid	\$ 16,891		\$ 29,381	\$ 194,658	\$ 300,561		845,204
Property taxes							527,681
Sales taxes							4,947,882
Fines, forfeitures, and costs							152,386
Interest							29,089
Officers' fees							291,242
Jail fees							707,377
Emergency 911 fees							340,570
Landfill fees							2,866,308
Treasurer's commission							56,882
Collector's commission							110,952
Other							125,121
TOTAL REVENUES	16,891		29,381	194,658	300,561	11,300	11,262,870
Less: Treasurer's commission							79,833
NET REVENUES	16,891		29,381	194,658	300,561	11,300	11,183,037
EXPENDITURES							
Current:							
General government				194,658		\$ 195,100	11,195,455
Law enforcement	17,002		36,057		299,684		3,762,476
Public safety						11,300	402,749
Sanitation							3,508,316
Social services							696,887
Total Current	17,002		36,057	194,658	299,684	195,100	19,565,883
Debt Service:							
Note principal							121,188
Note interest							3,083
TOTAL EXPENDITURES	17,002		36,057	194,658	299,684	195,100	19,690,154
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(111)		(6,676)		877	(195,100)	(8,507,117)
OTHER FINANCING SOURCES (USES)							
Transfers in						32,420	1,845,763
Transfers out	(2,689)						(230,530)
Property taxes transferred to County Hospital Board							(545,577)
Loan to County Hospital Board							(387,000)
Repayment of loan from County Hospital Board							387,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,689)					32,420	1,069,656
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,800)		(6,676)		877	(162,680)	(7,437,461)
FUND BALANCES - JANUARY 1	21,740	\$ 1,902	36,057			162,680	12,017,152
FUND BALANCES - DECEMBER 31	\$ 18,940	\$ 1,902	\$ 29,381	\$ 0	\$ 877	\$ 0	\$ 4,579,691

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 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 Arkansas Constitution, Amendment no. 79.
County Clerk's 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.
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.
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 fee schedule contained in an ordinance. County Ordinance no. 2013-15 (November 19, 2013) authorized solid waste fees for operation, maintenance, cell construction, and closure and postclosure costs for the landfill.
Child Support Collection Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Sheriff's 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.
Detention Center (Act 1188)	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.
Boating Safety (Act 122)	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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
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.
Juvenile Fees	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.
Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the Secretary of State County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.
Circuit Clerk Commissioner's Fees	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.
County Hospital	Mississippi County Ordinance no. 2006-12 (November 28, 2006) established a four mill real and personal property tax per an election by the voters for hospital purposes.
Senior Citizens	Established to account for federal and state funds received to maintain the Senior Citizens Center and provide services to seniors.
Economic Development	Mississippi County Ordinance no. 2003-6 (March 25, 2003) provided for the levy of a one-half percent sales tax as decided by the voters for economic development purposes. State and Federal grants are also received for economic development purposes.
Sheriff's Firing Range	Established to account for donations to be used for the firing range.
Sheriff's Helicopter	Established to account for donations to be used for sheriff and helicopter expenses.
Local Emergency Response Grant	Established to account for grants received to be used for the Office of Emergency Services.
Officers' Protection Equipment	Established to account for donations received for the purchase of police firearms and ammunition.
County Jail Sales Tax	Mississippi County Ordinance no. O-98-11 (July 28, 1998) provided for a one eighth of one percent sales and use tax as decided by the voters to be designated for the purpose of financing the operation and maintenance of court facilities, jails, juvenile facilities, and Sheriff's stations. The County includes jail fee revenue in this fund as well as a reimbursement of restricted sales tax revenue spent to house prisoners.

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2014

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

<u>Fund Name</u>	<u>Fund Description</u>
Juvenile Detention	Established to account for grant received from Arkansas Department of Finance and Administration to supplement juvenile detention facilities operations.
Homeland Security Grants	Established to account for grants received from Arkansas Department of Emergency Management for the purpose of purchasing equipment.
Justice Assistance Grant 2011	Established to account for grant to provide local governments with funding to support a range of program areas including law enforcement, prosecution and courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, and crime victim and witness initiatives.
Delta Regional Authority Grant	Established to account for federal grant received from Delta Regional Authority for the purpose of expanding the City of Manila's infrastructure to expand the City's business district to the newly constructed bypass.
Port Security Grant Program	Established to account for federal grant received to support increased port-wide risk management; enhanced domain awareness; training and exercises; expansion of port recovery and resiliency capabilities; and capabilities to prevent, detect, respond to, recover from, and mitigate attacks involving improvised explosive devices (IEDs) and other non-conventional weapons.
General Improvement Funded Community Enhancement Grant	Established to account for grants received from the Arkansas Rural Development Commission and the Arkansas Department of Rural Services for Moore Center improvements and for a Sheriff's Office patrol unit.
Courtroom Security State Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and law library monies awaiting settlements.

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

Sheriff's accounts consist primarily of fee settlements, bond, and inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with Treasurer and payroll related withholdings.

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

County Judge's accounts consist primarily of landfill monies.

Juvenile Probation account consists of probation fees awaiting disposition to the County.

Senior Citizens account consists of petty cash used for Senior Citizen program.

MISSISSIPPI COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2014
(Unaudited)

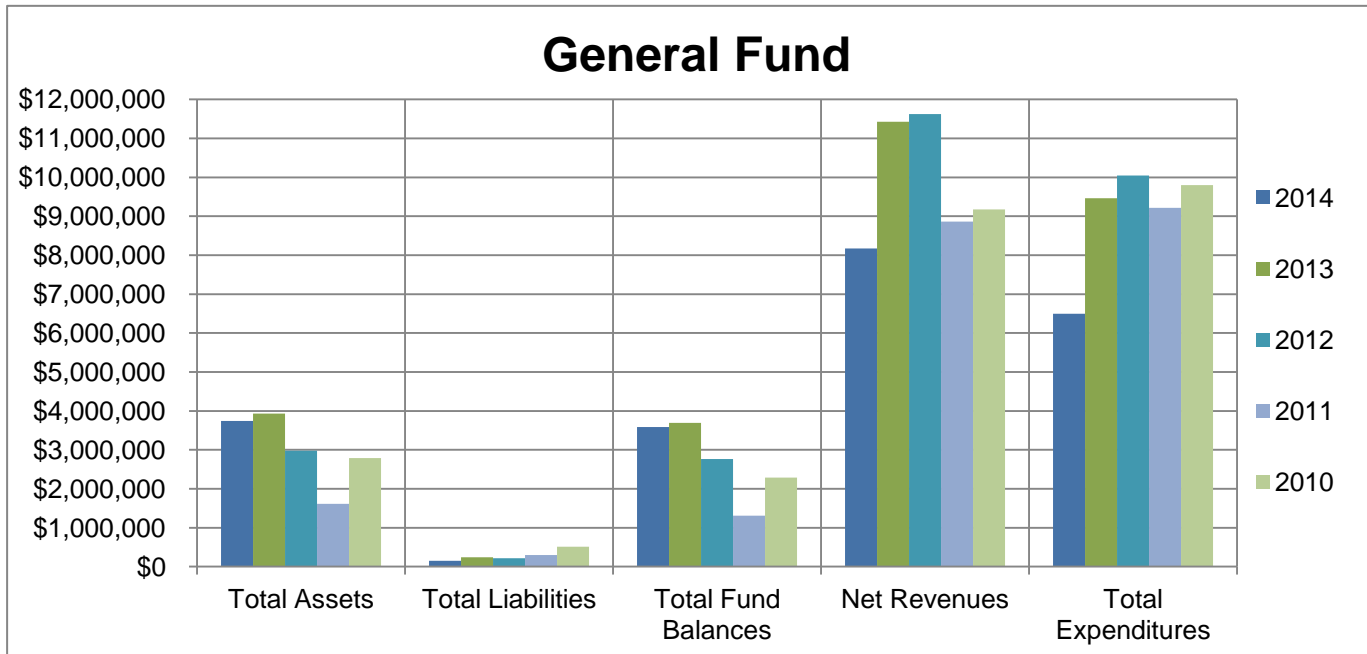
Schedule 3

	<u>December 31, 2014</u>
Land	\$ 2,857,018
Buildings	18,303,159
Equipment	<u>9,079,049</u>
Total	<u>\$ 30,239,226</u>

MISSISSIPPI COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-1

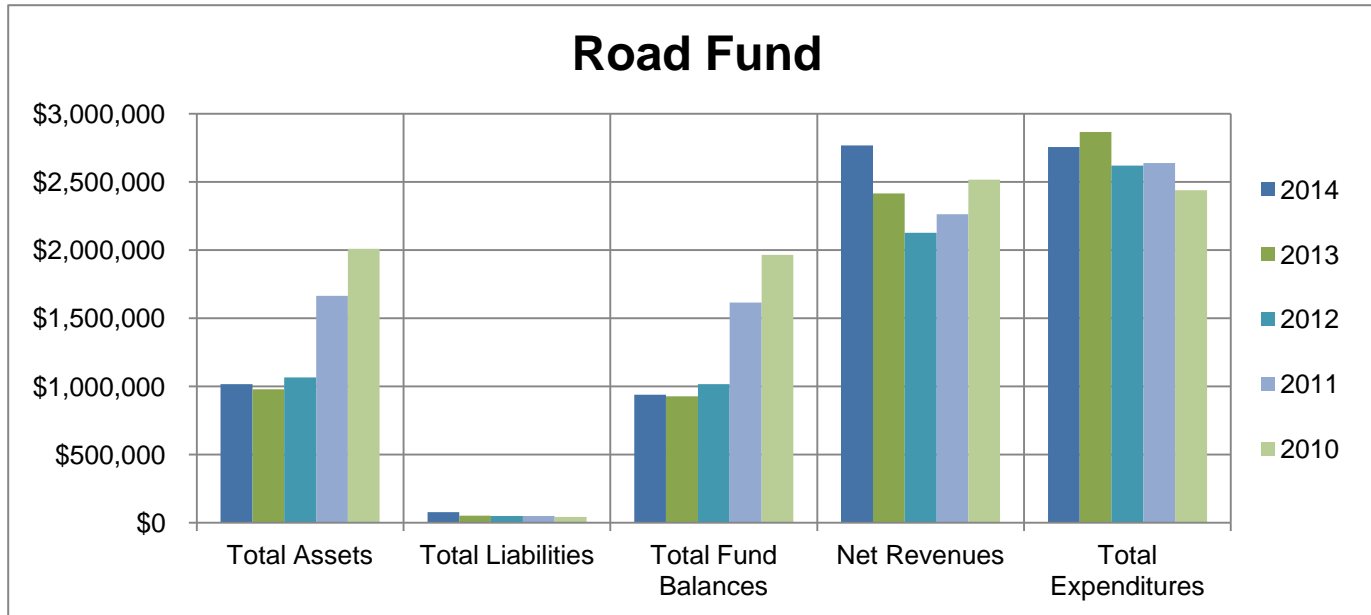
<u>General</u>	2014	2013	2012	2011	2010
Total Assets	\$ 3,743,557	\$ 3,934,339	\$ 2,979,037	\$ 1,612,772	\$ 2,791,456
Total Liabilities	153,788	238,511	217,798	300,366	508,071
Total Fund Balances	3,589,769	3,695,828	2,761,239	1,312,406	2,283,385
Net Revenues	8,171,406	11,423,838	11,623,343	8,864,586	9,170,765
Total Expenditures	6,492,921	9,458,422	10,044,534	9,218,252	9,796,886
Total Other Financing Sources/Uses	(1,615,233)	(1,030,827)	(106,757)	(617,313)	(967,974)



MISSISSIPPI COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-2

<u>Road</u>	2014	2013	2012	2011	2010
Total Assets	\$ 1,017,041	\$ 980,335	\$ 1,066,950	\$ 1,665,576	\$ 2,008,910
Total Liabilities	78,173	51,995	50,303	50,426	44,036
Total Fund Balances	938,868	928,340	1,016,647	1,615,150	1,964,874
Net Revenues	2,766,321	2,414,881	2,126,489	2,263,065	2,515,961
Total Expenditures	2,755,793	2,865,994	2,619,589	2,639,596	2,439,551
Total Other Financing Sources/Uses		362,806	(15,710)	26,807	(135,108)



MISSISSIPPI COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assets	\$ 9,083,202	\$ 13,780,069	\$ 13,662,654	\$ 11,622,036	\$ 12,797,341
Total Liabilities	4,503,511	1,932,228	3,169,162	1,888,957	1,386,019
Total Fund Balances	4,579,691	11,847,841	10,493,492	9,733,079	11,411,322
Net Revenues	11,183,037	8,600,032	9,237,923	12,251,144	7,916,591
Total Expenditures	19,690,154	7,724,303	9,466,407	14,519,893	6,929,774
Total Other Financing Sources/Uses	1,069,656	474,145	1,018,497	590,506	1,103,082

