

Mississippi County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS
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Sen. Linda Chesterfield
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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, 2013, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for 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 Arkansas Code, 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 risks. 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 omissions described 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, 2013, 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 risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

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

Supplementary and Other Information

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

Because of the omissions described 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 such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
July 29, 2015
LOCO04713

Arkansas

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Senate Chair
Sen. Linda Chesterfield
Senate Vice Chair



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Rep. Sue Scott
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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, 2013, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2015. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our 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:

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

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

Compliance and Other Matters

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

Entity's Response to Findings

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

Other Issues

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

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

County Judge: 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 office of **County Judge**.

It was brought to the attention of ALA staff that the County was conducting a high volume of business with an out-of-state vendor for repairs of Landfill Department equipment. A review of disbursements revealed that the County paid \$1,046,864 to Hollister Industrial, LLC, for the period October 2012 through February 2015. The Quorum Court adopted Ordinance no. 0-2014-02 on January 28, 2014, which authorized the County to conduct business with Hollister Industrial and acknowledged this vendor employs the brother of a Landfill Department employee. ALA staff research revealed the brother appears to own/operate Hollister Industrial. Due to the related party transactions, the vendor's location of approximately 260 miles away, and the amount of money disbursed, the Prosecuting Attorney has requested an Arkansas State Police investigation.

The following information system weakness was discovered during a review of computer applications:

Backups were not stored at a suitable off-site facility. Failing to maintain backups at a secure off-site facility could result in loss of data and the inability to continue operations in the event of a disaster.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
July 29, 2015

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

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 3,347,043	\$ 960,246	\$ 13,061,590
Accounts receivable	587,296	20,089	715,804
Interfund receivables			2,675
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 3,934,339</u></u>	<u><u>\$ 980,335</u></u>	<u><u>\$ 13,780,069</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 218,942	\$ 50,311	\$ 266,151
Interfund payables	2,675		
Settlements pending	16,894	1,684	1,666,077
Total Liabilities	<u>238,511</u>	<u>51,995</u>	<u>1,932,228</u>
Fund Balances:			
Restricted		928,340	11,757,116
Assigned	512,197		117,391
Unassigned	3,183,631		(26,666)
Total Fund Balances	<u>3,695,828</u>	<u>928,340</u>	<u>11,847,841</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,934,339</u></u>	<u><u>\$ 980,335</u></u>	<u><u>\$ 13,780,069</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 -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 876,767	\$ 1,505,735	\$ 964,199
Federal aid	23,468		593,852
Property taxes	3,048,405	850,033	505,600
Sales taxes	2,056,044		4,746,207
Fines, forfeitures, and costs	755,790		158,102
Interest	23,013	6,670	68,531
Officers' fees	139,845		285,770
Jail fees			526,215
Emergency 911 fees			523,208
Landfill fees	2,963,533		
Treasurer's commission	141,451		55,567
Collector's commission	261,774		105,644
Taxes apportioned - Assessor's salary and expense	497,496		
Other	711,749	74,043	119,246
	<u>11,499,335</u>	<u>2,436,481</u>	<u>8,652,141</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>75,497</u>	<u>21,600</u>	<u>52,109</u>
NET REVENUES	<u>11,423,838</u>	<u>2,414,881</u>	<u>8,600,032</u>
EXPENDITURES			
Current:			
General government	2,593,299		3,287,553
Law enforcement	3,240,066		3,299,940
Highways and streets		2,514,969	
Public safety	32,562		427,974
Sanitation	2,493,780		
Health	85,924		
Social services	104,553		708,836
Total Current	<u>8,550,184</u>	<u>2,514,969</u>	<u>7,724,303</u>
Debt Service:			
Lease principal		334,698	
Lease interest		16,327	
Note principal	885,670		
Note interest	22,568		
	<u>9,458,422</u>	<u>2,865,994</u>	<u>7,724,303</u>
TOTAL EXPENDITURES			

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,965,416</u>	<u>\$ (451,113)</u>	<u>\$ 875,729</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	14,194		1,265,960
Transfers out	(1,045,021)	(14,194)	(220,939)
Sale of equipment		377,000	
Property taxes transferred to County Hospital Board			<u>(570,876)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,030,827)</u>	<u>362,806</u>	<u>474,145</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	934,589	(88,307)	1,349,874
FUND BALANCES - JANUARY 1	<u>2,761,239</u>	<u>1,016,647</u>	<u>10,497,967</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,695,828</u></u>	<u><u>\$ 928,340</u></u>	<u><u>\$ 11,847,841</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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 723,864	\$ 876,767	\$ 152,903	\$ 1,500,887	\$ 1,505,735	\$ 4,848
Federal aid		23,468	23,468			
Property taxes	3,059,618	3,048,405	(11,213)	891,167	850,033	(41,134)
Sales taxes	2,042,208	2,056,044	13,836			
Fines, forfeitures, and costs	648,700	755,790	107,090			
Interest	22,003	23,013	1,010	6,648	6,670	22
Officers' fees	138,664	139,845	1,181			
Landfill fees	3,177,011	2,963,533	(213,478)			
Treasurer's commission	141,450	141,451	1			
Collector's commission	342,015	261,774	(80,241)			
Taxes apportioned - Assessor's salary and expense	472,283	497,496	25,213			
Other	608,027	711,749	103,722	455,892	74,043	(381,849)
TOTAL REVENUES	11,375,843	11,499,335	123,492	2,854,594	2,436,481	(418,113)
Less: Treasurer's commission	75,288	75,497	(209)	21,600	21,600	
NET REVENUES	11,300,555	11,423,838	123,283	2,832,994	2,414,881	(418,113)
EXPENDITURES						
Current:						
General government	2,619,516	2,593,299	26,217			
Law enforcement	3,275,454	3,240,066	35,388			
Highways and streets				3,380,093	2,514,969	865,124
Public safety	32,462	32,562	(100)			
Sanitation	3,395,633	2,493,780	901,853			
Health	85,724	85,924	(200)			
Social services	104,677	104,553	124			
Total Current	9,513,466	8,550,184	963,282	3,380,093	2,514,969	865,124
Debt Service:						
Lease principal					334,698	(334,698)
Lease interest					16,327	(16,327)
Note principal		885,670	(885,670)			
Note interest		22,568	(22,568)			
TOTAL EXPENDITURES	9,513,466	9,458,422	55,044	3,380,093	2,865,994	514,099

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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,787,089	\$ 1,965,416	\$ 178,327	\$ (547,099)	\$ (451,113)	\$ 95,986
OTHER FINANCING SOURCES (USES)						
Transfers in	562,121	14,194	(547,927)			
Transfers out	(1,577,978)	(1,045,021)	532,957		(14,194)	(14,194)
Sale of equipment					377,000	377,000
TOTAL OTHER FINANCING SOURCES (USES)	(1,015,857)	(1,030,827)	(14,970)		362,806	362,806
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	771,232	934,589	163,357	(547,099)	(88,307)	458,792
FUND BALANCES - JANUARY 1		2,761,239	2,761,239		1,016,647	1,016,647
FUND BALANCES - DECEMBER 31	\$ 771,232	\$ 3,695,828	\$ 2,924,596	\$ (547,099)	\$ 928,340	\$ 1,475,439

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County. 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 Arkansas Code. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

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

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

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: General, Landfill, Emergency Operations, Sheriff's Commissary, and Employee Insurance.

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: County Recorder's Cost, County Jail Sales Tax, Boating Safety (Act 122), Economic Development, Detention Center (Act 1188), Sheriff's Communication, Facility and Equipment, Child Support Collection Costs, Juvenile Fees, Officers' Protection Equipment, Special State Assets Forfeiture Grant, Sheriff's Firing Range, Sheriff's Helicopter, Circuit Clerk Commissioner's Fee, Senior Citizens, Emergency 911, Fire Equipment and Training (Act 833), Local Emergency Response Grant, General Improvement Funded Community Enhancement Grant, Court Automation, Collector's Automation, County Clerk's Automation, Juvenile Detention, Voting System Grant, Treasurer's Automation, Homeland Security Grants, Game and Fish Education, Assessor's Amendment no. 79, County Hospital, Local Law Enforcement Block Grant, and Justice Assistance Grant 2011.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Regulatory Fund Accounting (Continued)

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: County Treasurer: Public Defender User Fee, State Land Commissioner, Blytheville Law Library, Justice Enhancement Fund Act 1809, Investment and Savings Interest, Justice Fund Act 1256, State Highway Department, Drug Crime Special Assessment, Child Passenger Sheriff Report, Liability Insurance Sheriff Report, Acts 65, 431, and 2246, Cash Bond, Osceola Law Library, and Change; Collector: Current Tax, Delinquent Tax, and Change; Sheriff: Bond and Fee, Commissary, Petty Cash, and Change; County Clerk: Fee, Payroll, and Change; Circuit Clerk: Fee, Trust, Direct Deposit, and Change; County Judge: Landfill and Change; Senior Citizens; and Juvenile Probation.

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

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

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.

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, 2013

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 162,680
Federal aid			8,291
Property taxes	\$ 125,625	\$ 19,913	13,154
Sales taxes	176,578		407,598
Fines, forfeitures, and costs	27,818		6,848
Interest	600	176	1,331
Officers' fees	5,439		18,922
Jail fees			5,600
Emergency 911 fees			87,164
Landfill fees	169,311		
Taxes apportioned-Assessor's salary and expense	22,602		
Collector's commission	22,565		
Other	36,758		4,216
Totals	<u>\$ 587,296</u>	<u>\$ 20,089</u>	<u>\$ 715,804</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 218,942</u>	<u>\$ 50,311</u>	<u>\$ 266,151</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2013	
	Interfund Receivables	Interfund Payables
General		\$ 2,675
Other Funds in the Aggregate:		
Special Revenue:		
Collector's Automation	\$ 2,675	
Totals	<u>\$ 2,675</u>	<u>\$ 2,675</u>

Interfund receivable and payable consist of an error in paying General Fund expenditures from restricted revenues. This balance was repaid on October 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, 2013, the legal debt limit for bonded debt was \$49,924,968. There were no property tax secured bond issues.

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

NOTE 7: Legal Debt Limit (Continued)

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2013, the legal debt limit for short-term financing obligations was \$14,181,504. The amount of short-term financing obligations was \$1,060,577 leaving a legal debt margin of \$13,120,927.

NOTE 8: Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Restricted for:			
General government			\$ 11,358,103
Law enforcement			157,431
Highways and streets		\$ 928,340	
Public safety			229,539
Health			12,043
Total Restricted		<u>928,340</u>	<u>11,757,116</u>
Assigned to:			
General government	\$ 1,264		
Law enforcement	6,481		117,391
Sanitation	504,452		
Total Assigned	<u>512,197</u>		<u>117,391</u>
Unassigned	<u>3,183,631</u>		<u>(26,666)</u>
Totals	<u>\$ 3,695,828</u>	<u>\$ 928,340</u>	<u>\$ 11,847,841</u>

NOTE 9: Deficit Fund Balances

The following fund has a deficit fund balance as of December 31, 2013:

	December 31, 2013
Other Funds in the Aggregate:	
Special Revenue:	
Senior Citizens	<u>\$ (26,666)</u>

NOTE 10: Commitments

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

	December 31, 2013
Long-term liabilities	\$ 3,005,554
Noncancellable leases	<u>3,076</u>
Total Commitments	<u>\$ 3,008,630</u>

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

NOTE 10: Commitments (Continued)

Long-term Liabilities

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

	December 31, 2013
Estimated liability for landfill closure and postclosure care costs.	\$ 1,944,977
Note payable entered on May 29, 2009 with Southern Bancorp for the purchase of a maintenance building, dozer, and backhoe, interest at 3.75%; monthly installments of \$4,577 for 60 months. Payments are to be made from the General Fund.	22,596
Note payable entered on December 1, 2011 with Caterpillar Financial Services to rebuild a Caterpillar motor grader; interest at 4.60%; monthly installments of \$6,077 for 36 months. Payments are to be made from the General Fund.	65,339
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 General Fund.	73,293
Lease payable entered 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.	143,177
Lease payable entered 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.	159,071
Lease payable entered 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.	597,101
	597,101
Total Long-term liabilities	\$ 3,005,554

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 the 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 closure and postclosure care costs has a balance of \$1,944,977 as of December 31, 2013, which is based on 78% use of the class one landfill and 1% use of the class four landfill's capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,171,844 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has set aside \$504,452 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 \$1,526,323 has been issued.

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

NOTE 10: Commitments (Continued)

Debt Service Requirements to Maturity

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

<u>Years Ending December 31, 2013</u>	<u>Notes</u>	<u>Leases</u>	<u>Total</u>
2014	\$ 159,224	\$ 133,436	\$ 292,660
2015	6,082	368,484	374,566
2016		439,281	439,281
Total Obligations	165,306	941,201	1,106,507
Less Interest	4,078	41,852	45,930
Total Principal	<u>\$ 161,228</u>	<u>\$ 899,349</u>	<u>\$ 1,060,577</u>

Noncancellable Leases

The County entered into a noncancellable lease agreement for a copier on August 27, 2009. Terms of the lease are monthly rental payments of \$192 for 60 months. At the end of the lease term, the County will return the copier.

The County entered into a noncancellable lease agreement for a copier on August 27, 2009. Terms of the lease are monthly rental payments of \$192 for 60 months. At the end of the lease term, the County will return the copier.

The County is obligated for the following amount for the next year:

<u>Year</u>	<u>Amount</u>
2014	<u>\$ 3,076</u>

Rental expense for 2013 was \$48,364.

NOTE 11: Interfund Transfers

The General Fund transferred \$1,018,058 to Other Funds in the Aggregate for operating purposes and \$26,963 to the Justice Assistance Grant 2011, which is a fund within the Other Funds in the Aggregate, to reverse a 2012 transfer of grant money. The Road Fund transferred \$14,194 to the General Fund for reimbursement of expenditures. Within Other Funds in the Aggregate, \$220,939 was transferred for operating purposes.

NOTE 12: 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 of 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 2013. Contact the Mississippi County/Crittenden County Regional Library at 200 North 5th Street, Blytheville, Arkansas 72315 to obtain financial statements.

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

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 \$500,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

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

NOTE 14: 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.

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

NOTE 14: Arkansas Public Employees Retirement System (Continued)

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended December 31, 2013 were \$853,332.

NOTE 15: Subsequent Events

The County issued checks in the amount of \$9,500,000 on June 25, 2014 and \$4,500,000 on May 19, 2015 to Big River Steel from the Economic Development Fund. The money is to be used primarily for land purchase and extension of natural gas line.

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

Schedule 1

SPECIAL REVENUE FUNDS

	County Recorder's Cost	County Jail Sales Tax	Boating Safety (Act 122)	Economic Development	Detention Center (Act 1188)	Sheriff's Communication, Facility and Equipment	Child Support Collection Costs	Juvenile Fees	Officers' Protection Equipment
ASSETS									
Cash and cash equivalents	\$ 156,819	\$ 26,649	\$ 609	\$ 10,641,146	\$ 1,722	\$ 5,334	\$ 1,068	\$ 32,352	\$ 2,137
Accounts receivable	16,980	141,766	1	272,965	5,927	4,747		13	
Interfund receivables									
TOTAL ASSETS	<u>\$ 173,799</u>	<u>\$ 168,415</u>	<u>\$ 610</u>	<u>\$ 10,914,111</u>	<u>\$ 7,649</u>	<u>\$ 10,081</u>	<u>\$ 1,068</u>	<u>\$ 32,365</u>	<u>\$ 2,137</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 443	\$ 51,024		\$ 125,930		\$ 485			
Settlements pending									
Total Liabilities	<u>443</u>	<u>51,024</u>		<u>125,930</u>		<u>485</u>			
Fund Balances:									
Restricted	173,356		\$ 610	10,788,181	\$ 7,649	9,596	\$ 1,068	\$ 32,365	\$ 2,137
Assigned		117,391							
Unassigned									
Total Fund Balances	<u>173,356</u>	<u>117,391</u>	<u>610</u>	<u>10,788,181</u>	<u>7,649</u>	<u>9,596</u>	<u>1,068</u>	<u>32,365</u>	<u>2,137</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 173,799</u>	<u>\$ 168,415</u>	<u>\$ 610</u>	<u>\$ 10,914,111</u>	<u>\$ 7,649</u>	<u>\$ 10,081</u>	<u>\$ 1,068</u>	<u>\$ 32,365</u>	<u>\$ 2,137</u>

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Sheriff's Firing Range	Sheriff's Helicopter	Circuit Clerk Commissioner's Fee	Senior Citizens	Emergency 911	Fire Equipment and Training (Act 833)	Local Emergency Response Grant	General Improvement Funded Community Enhancement Grant	Court Automation
ASSETS									
Cash and cash equivalents	\$ 977	\$ 18,659	\$ 400	\$ 9,615	\$ 174,694	\$ 4,475	\$ 733		\$ 29,516
Accounts receivable	1	8	195	8,444	87,165		1	\$ 162,680	931
Interfund receivables									
TOTAL ASSETS	<u>978</u>	<u>18,667</u>	<u>595</u>	<u>18,059</u>	<u>261,859</u>	<u>4,475</u>	<u>734</u>	<u>162,680</u>	<u>30,447</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 2,205		\$ 44,725	\$ 40,041				
Settlements pending									
Total Liabilities		<u>2,205</u>		<u>44,725</u>	<u>40,041</u>				
Fund Balances:									
Restricted	\$ 978	16,462	\$ 595		221,818	\$ 4,475	\$ 734	\$ 162,680	\$ 30,447
Assigned									
Unassigned				(26,666)					
Total Fund Balances	<u>978</u>	<u>16,462</u>	<u>595</u>	<u>(26,666)</u>	<u>221,818</u>	<u>4,475</u>	<u>734</u>	<u>162,680</u>	<u>30,447</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>978</u>	<u>18,667</u>	<u>595</u>	<u>18,059</u>	<u>261,859</u>	<u>4,475</u>	<u>734</u>	<u>162,680</u>	<u>30,447</u>

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

Schedule 1

SPECIAL REVENUE FUNDS

	Collector's Automation	County Clerk's Automation	Juvenile Detention	Treasurer's Automation	Homeland Security Grants	Assessor's Amendment no. 79	County Hospital	Justice Assistance Grant 2011
ASSETS								
Cash and cash equivalents	\$ 149,039	\$ 6,220	\$ 23,038	\$ 69,336	\$ 1,902	\$ 4,129		\$ 36,057
Accounts receivable	29	767		26		2	\$ 13,156	
Interfund receivables	2,675							
TOTAL ASSETS	\$ 151,743	\$ 6,987	\$ 23,038	\$ 69,362	\$ 1,902	\$ 4,131	\$ 13,156	\$ 36,057
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 1,298					
Settlements pending							\$ 1,113	
Total Liabilities			1,298				1,113	
Fund Balances:								
Restricted	\$ 151,743	\$ 6,987	21,740	\$ 69,362	\$ 1,902	\$ 4,131	12,043	\$ 36,057
Assigned								
Unassigned								
Total Fund Balances	151,743	6,987	21,740	69,362	1,902	4,131	12,043	36,057
TOTAL LIABILITIES AND FUND BALANCES	\$ 151,743	\$ 6,987	\$ 23,038	\$ 69,362	\$ 1,902	\$ 4,131	\$ 13,156	\$ 36,057

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

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	Senior Citizens' Accounts	Juvenile Probation Accounts	Totals
ASSETS									
Cash and cash equivalents	\$ 196,227	\$ 740,161	\$ 81,510	\$ 191,200	\$ 265,801	\$ 188,923	\$ 350	\$ 792	\$ 13,061,590
Accounts receivable									715,804
Interfund receivables									2,675
TOTAL ASSETS	\$ 196,227	\$ 740,161	\$ 81,510	\$ 191,200	\$ 265,801	\$ 188,923	\$ 350	\$ 792	\$ 13,780,069
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 266,151
Settlements pending	\$ 196,227	\$ 740,161	\$ 81,510	\$ 191,200	\$ 265,801	\$ 188,923	\$ 350	\$ 792	1,666,077
Total Liabilities	196,227	740,161	81,510	191,200	265,801	188,923	350	792	1,932,228
Fund Balances:									
Restricted									11,757,116
Assigned									117,391
Unassigned									(26,666)
Total Fund Balances									11,847,841
TOTAL LIABILITIES AND FUND BALANCES	\$ 196,227	\$ 740,161	\$ 81,510	\$ 191,200	\$ 265,801	\$ 188,923	\$ 350	\$ 792	\$ 13,780,069

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, 2013

Schedule 2

SPECIAL REVENUE FUNDS

	County Recorder's Cost	County Jail Sales Tax	Boating Safety (Act 122)	Economic Development	Detention Center (Act 1188)	Sheriff's Communication, Facility and Equipment	Child Support Collection Costs	Juvenile Fees	Officers' Protection Equipment
REVENUES									
State aid			\$ 1,888	\$ 584,827					
Federal aid		\$ 30,940		121,120					
Property taxes									
Sales taxes		1,582,069		3,164,138					
Fines, forfeitures, and costs					\$ 141,618				
Interest	\$ 756	816	2	65,150	59	\$ 36	\$ 5	\$ 79	
Officers' fees	241,672					14,877	714	19,603	
Jail fees		526,215							
Emergency 911 fees									
Treasurer's commission									
Collector's commission									
Other		378		9,274		31,745			
TOTAL REVENUES	242,428	2,140,418	1,890	3,944,509	141,677	46,658	719	19,682	
Less: Treasurer's commission	1,893	16,405	14	24,326	1,060	345	6	131	
NET REVENUES	240,535	2,124,013	1,876	3,920,183	140,617	46,313	713	19,551	
EXPENDITURES									
Current:									
General government	268,345			2,869,928			452		
Law enforcement		3,187,490				9,170		18,444	\$ 1,128
Public safety			1,971						
Social services									
TOTAL EXPENDITURES	268,345	3,187,490	1,971	2,869,928		9,170	452	18,444	1,128
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,810)	(1,063,477)	(95)	1,050,255	140,617	37,143	261	1,107	(1,128)
OTHER FINANCING SOURCES (USES)									
Transfers in		1,089,255							
Transfers out					(134,199)	(36,740)			
Property taxes transferred to County Hospital Board									
TOTAL OTHER FINANCING SOURCES (USES)		1,089,255			(134,199)	(36,740)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(27,810)	25,778	(95)	1,050,255	6,418	403	261	1,107	(1,128)
FUND BALANCES - JANUARY 1	201,166	91,613	705	9,737,926	1,231	9,193	807	31,258	3,265
FUND BALANCES - DECEMBER 31	\$ 173,356	\$ 117,391	\$ 610	\$ 10,788,181	\$ 7,649	\$ 9,596	\$ 1,068	\$ 32,365	\$ 2,137

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Special State Assets Forfeiture Grant	Sheriff's Firing Range	Sheriff's Helicopter	Circuit Clerk Commissioner's Fee	Senior Citizens	Emergency 911	Fire Equipment and Training (Act 833)	Local Emergency Response Grant	General Improvement Funded Community Enhancement Grant
REVENUES									
State aid					\$ 114,600		\$ 21,409		\$ 162,680
Federal aid	\$ 15,000				303,845				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest		\$ 4	\$ 74		31	\$ 607		\$ 4	
Officers' fees				\$ 598					
Jail fees									
Emergency 911 fees						523,208			
Treasurer's commission									
Collector's commission									
Other		130	61		73,206	367			
TOTAL REVENUES	15,000	134	135	598	491,682	524,182	21,409	4	162,680
Less: Treasurer's commission		1		3		3,509			
NET REVENUES	15,000	133	135	595	491,682	520,673	21,409	4	162,680
EXPENDITURES									
Current:									
General government									
Law enforcement	15,000	187	6,532						
Public safety						324,918	21,409	256	
Social services					708,836				
TOTAL EXPENDITURES	15,000	187	6,532		708,836	324,918	21,409	256	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(54)	(6,397)	595	(217,154)	195,755		(252)	162,680
OTHER FINANCING SOURCES (USES)									
Transfers in					149,742				
Transfers out						(50,000)			
Property taxes transferred to County Hospital Board									
TOTAL OTHER FINANCING SOURCES (USES)					149,742	(50,000)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(54)	(6,397)	595	(67,412)	145,755		(252)	162,680
FUND BALANCES - JANUARY 1		1,032	22,859		40,746	76,063	4,475	986	
FUND BALANCES - DECEMBER 31	\$ 0	\$ 978	\$ 16,462	\$ 595	\$ (26,666)	\$ 221,818	\$ 4,475	\$ 734	\$ 162,680

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, 2013

Schedule 2

SPECIAL REVENUE FUNDS

	Court Automation	Collector's Automation	County Clerk's Automation	Juvenile Detention	Voting System Grant	Treasurer's Automation	Homeland Security Grants	Game and Fish Education	Assessor's Amendment no. 79
REVENUES									
State aid					\$ 10,732			\$ 5,932	\$ 4,695
Federal aid				\$ 16,891			\$ 73,312		
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 16,484								
Interest	104	\$ 323	\$ 27			\$ 241			16
Officers' fees			8,306						
Jail fees									
Emergency 911 fees									
Treasurer's commission						55,567			
Collector's commission		105,644							
Other							4,085		
TOTAL REVENUES	16,588	105,967	8,333	16,891	10,732	55,808	77,397	5,932	4,711
Less: Treasurer's commission	109		64						36
NET REVENUES	16,479	105,967	8,269	16,891	10,732	55,808	77,397	5,932	4,675
EXPENDITURES									
Current:									
General government		71,713	8,899		10,732	56,940			544
Law enforcement	11,278			17,304				9,599	
Public safety							79,420		
Social services									
TOTAL EXPENDITURES	11,278	71,713	8,899	17,304	10,732	56,940	79,420	9,599	544
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,201	34,254	(630)	(413)		(1,132)	(2,023)	(3,667)	4,131
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Property taxes transferred to County Hospital Board									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,201	34,254	(630)	(413)		(1,132)	(2,023)	(3,667)	4,131
FUND BALANCES - JANUARY 1	25,246	117,489	7,617	22,153		70,494	3,925	3,667	
FUND BALANCES - DECEMBER 31	<u>\$ 30,447</u>	<u>\$ 151,743</u>	<u>\$ 6,987</u>	<u>\$ 21,740</u>	<u>\$ 0</u>	<u>\$ 69,362</u>	<u>\$ 1,902</u>	<u>\$ 0</u>	<u>\$ 4,131</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, 2013

Schedule 2

SPECIAL REVENUE FUNDS				
	County Hospital	Local Law Enforcement Block Grant	Justice Assistance Grant 2011	Totals
REVENUES				
State aid	\$ 57,436			\$ 964,199
Federal aid		\$ 4,300	\$ 28,444	593,852
Property taxes	505,600			505,600
Sales taxes				4,746,207
Fines, forfeitures, and costs				158,102
Interest	197			68,531
Officers' fees				285,770
Jail fees				526,215
Emergency 911 fees				523,208
Treasurer's commission				55,567
Collector's commission				105,644
Other				119,246
TOTAL REVENUES	563,233	4,300	28,444	8,652,141
Less: Treasurer's commission	4,207			52,109
NET REVENUES	559,026	4,300	28,444	8,600,032
EXPENDITURES				
Current:				
General government				3,287,553
Law enforcement		4,458	19,350	3,299,940
Public safety				427,974
Social services				708,836
TOTAL EXPENDITURES		4,458	19,350	7,724,303
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	559,026	(158)	9,094	875,729
OTHER FINANCING SOURCES (USES)				
Transfers in			26,963	1,265,960
Transfers out				(220,939)
Property taxes transferred to County Hospital Board	(570,876)			(570,876)
TOTAL OTHER FINANCING SOURCES (USES)	(570,876)		26,963	474,145
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,850)	(158)	36,057	1,349,874
FUND BALANCES - JANUARY 1	23,893	158		10,497,967
FUND BALANCES - DECEMBER 31	<u>\$ 12,043</u>	<u>\$ 0</u>	<u>\$ 36,057</u>	<u>\$ 11,847,841</u>

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

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

Fund Name	Fund Description
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 an automated records system.
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.
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.
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.
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.
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.
Child Support Collection Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Juvenile Fees	Ark. Code Ann. § 16-13-326 established fund to receive juvenile fees and provide services and supplies to juveniles at the discretion of the Juvenile Division of Circuit Court.
Officers' Protection Equipment	Mississippi County Ordinance no. 2010-12 (July 27, 2010) established fund to receive donations for the purchase of police firearms and ammunition.
Special State Assets Forfeiture Grant	Fund established to receive federal forfeiture grants to be used for law enforcement purposes, consistent with federal law.
Sheriff's Firing Range	Fund established to account for donations to be used for the firing range.
Sheriff's Helicopter	Fund established to account for donations to be used for sheriff and helicopter expenses.

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

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

Fund Name	Fund Description
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.
Senior Citizens	Fund established to account for federal and state funds received to maintain the Senior Citizens Center and provide services to seniors.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
Local Emergency Response Grant	Mississippi County Ordinance no. 2002-3 (February 26, 2002) established this fund for grants to be used for the Office of Emergency Services.
General Improvement Funded Community Enhancement Grant	Fund 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.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive District Court installment fees to be used solely for district court-related technology.
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.
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.
Juvenile Detention	Fund established to account for grant received from Arkansas Department of Finance and Administration to supplement juvenile detention facilities operations.
Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.

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

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

Fund Name	Fund Description
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.
Homeland Security Grants	Fund established to account for grants received from Arkansas Department of Emergency Management for the purpose of purchasing equipment.
Game and Fish Education	Ark. Code Ann. § 6-16-1101 established fund to receive grants to be distributed to school districts or conservation districts for the sole purpose of approved conservation education programs.
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 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.
Local Law Enforcement Block Grant	Fund established to account for federal block grant received for law enforcement purposes.
Justice Assistance Grant 2011	Fund 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.

Treasurer's accounts consist primarily of schools and other entities awaiting settlements.
 Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.
 Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.
 County Clerk's accounts consist primarily of fee money to be settled with Treasurer and payroll related withholdings.
 Circuit Clerk's accounts consist of trust money and settlements due to Treasurer.
 County Judge's accounts consist primarily of landfill monies.
 Senior Citizens account consists of program income awaiting disposition to the County.
 Juvenile Probation account consists primarily of probation fees awaiting disposition to the County.

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

Schedule 3

	<u>December 31, 2013</u>
Land	\$ 2,857,018
Buildings	18,303,159
Equipment	<u>9,251,781</u>
Total	<u>\$ 30,411,958</u>

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

Schedule 4

<u>General</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assets	\$ 3,934,339	\$ 2,979,037	\$ 1,612,772	\$ 2,791,456	\$ 4,390,578
Total Liabilities	238,511	217,798	300,366	508,071	339,213
Total Fund Balances	3,695,828	2,761,239	1,312,406	2,283,385	4,051,365
Net Revenues	11,423,838	11,623,343	8,864,586	9,170,765	9,269,651
Total Expenditures	9,458,422	10,044,534	9,218,252	9,796,886	13,522,901
Total Other Financing Sources/Uses	(1,030,827)	(106,757)	(617,313)	(967,974)	(171,122)
 <u>Road</u>					
Total Assets	\$ 980,335	\$ 1,066,950	\$ 1,665,576	\$ 2,008,910	\$ 2,117,729
Total Liabilities	51,995	50,303	50,426	44,036	94,157
Total Fund Balances	928,340	1,016,647	1,615,150	1,964,874	2,023,572
Net Revenues	2,414,881	2,126,489	2,263,065	2,515,961	2,106,181
Total Expenditures	2,865,994	2,619,589	2,639,596	2,439,551	2,092,216
Total Other Financing Sources/Uses	362,806	(15,710)	26,807	(135,108)	
 <u>Other Funds in the Aggregate</u>					
Total Assets	\$ 13,780,069	\$ 13,662,654	\$ 11,622,036	\$ 12,797,341	\$ 13,060,834
Total Liabilities	1,932,228	3,169,162	1,888,957	1,386,019	3,739,411
Total Fund Balances	11,847,841	10,493,492	9,733,079	11,411,322	9,321,423
Net Revenues	8,600,032	9,237,923	12,251,144	7,916,591	7,605,467
Total Expenditures	7,724,303	9,466,407	14,519,893	6,929,774	7,485,440
Total Other Financing Sources/Uses	474,145	1,018,497	590,506	1,103,082	421,122