

Mississippi County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2010

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Independent Auditor's Report
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*

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPORTING SCHEDULES

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

SUPPLEMENTARY INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – Regulatory Basis (Unaudited)	4

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

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, 2010, as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1(B and C), the County has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Mississippi County, Arkansas, as of December 31, 2010, or the changes in its financial position or where applicable, its cash flows, thereof for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 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 regulatory basis financial statements also do not disclose all the required information concerning deposit risks, which should be included in order to conform with the regulatory basis of accounting described in Note 1(C).

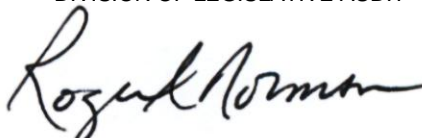
In our opinion, because of the effects on the financial statements of the omissions described in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective regulatory basis financial position of the other funds in the aggregate of Mississippi County, Arkansas, as of December 31, 2010, and the respective changes in the regulatory basis financial position for the year then ended on the basis of accounting as described in Note 1(C).

In our opinion, except for the effects of not disclosing all required information concerning deposit risks, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of the general fund and road fund of Mississippi County, Arkansas, as of December 31, 2010, and the respective changes in the regulatory basis financial position, and the budgetary results for the general fund and road fund for the year then ended on the basis of accounting as described in Note 1(C).

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2012 on our consideration of the County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements of Mississippi County, Arkansas. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Mississippi County, Arkansas. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, because of the effects on the financial information in the supporting schedules of the omissions described above, such information is not presented fairly in all material respects in relation to the financial statements taken as a whole. The supplementary information in the Schedule of Capital Assets required by the regulatory basis of presentation and the Schedule of Selected Information for the Last Five Years as listed in the table of contents as Schedules 3 and 4 are presented for the purpose of additional analysis. We have not applied auditing procedures to this information and, accordingly, we express no opinion on these schedules.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, reading "Roger A. Norman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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

Little Rock, Arkansas
February 16, 2012
LOCO04710

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF 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

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

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, 2010, and have issued our report thereon dated February 16, 2012. We issued an adverse opinion because the County prepared the financial statements using accounting practices prescribed or permitted by Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices 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 basis of accounting described in Note 1(C), 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 the other funds in the aggregate, and our opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit risks. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting 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:

2010-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording cash 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 cash 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 of material misstatement, we performed tests of the County's compliance with certain provisions of the state constitution, laws, regulations, and 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*.

The County's response to the findings identified in our audit is described above. We did not audit the County's response and, accordingly, we express no opinion on it.

Other Issues

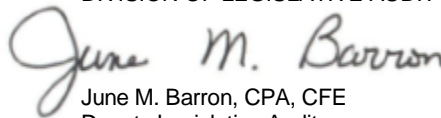
The commentary contained in this section relates to the following officials that held office during 2010:

County Judge: Steve McGuire
Treasurer: Glenda Hollingsead
Sheriff: James Sanders
Tax Collector: Patricia Caldwell
County Clerk: Lib Shippen
Circuit Clerk: Donna Bray

Our audit procedures indicated that the Offices of **County Judge, Treasurer, Sheriff, Tax Collector, County Clerk, and Circuit Clerk** were in substantial compliance with Arkansas fiscal and financial laws.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, the federal awarding agencies, and pass-through entities, if applicable, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 16, 2012

MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,255,564	\$ 1,896,063	\$ 12,248,795
Accounts receivable	535,892	112,847	548,546
TOTAL ASSETS	\$ 2,791,456	\$ 2,008,910	\$ 12,797,341
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 508,071	\$ 44,036	\$ 120,028
Settlements pending			1,265,991
Total Liabilities	508,071	44,036	1,386,019
Fund Balances:			
Reserved (Note 7)		1,964,874	11,411,322
Unreserved:			
Designated (Note 8)	333,632		
Undesignated	1,949,753		
Total Fund Balances	2,283,385	1,964,874	11,411,322
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,791,456	\$ 2,008,910	\$ 12,797,341

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, 2010

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 566,648	\$ 1,477,601	\$ 300,404
Federal aid	18,252	22,091	682,184
Property taxes	1,242,117	759,695	405,486
Sales taxes	2,045,633		4,668,173
Fines, forfeitures, and costs	984,149		136,738
Interest	65,615	43,266	196,974
Officers' fees	216,035		347,318
Jail fees			535,734
Emergency 911 fees			459,121
Landfill fees	2,571,950		
Treasurer's commission	161,963		36,849
Collector's commission	370,747		73,728
Taxes apportioned - Assessor's salary and expense	572,870		
Other	446,500	242,967	76,553
	9,262,479	2,545,620	7,919,262
TOTAL REVENUES			
Less: Treasurer's commission	91,714	29,659	2,671
	9,170,765	2,515,961	7,916,591
NET REVENUES			
EXPENDITURES			
Current:			
General government	3,326,824		1,666,851
Law enforcement	2,904,624		3,304,576
Highways and streets		2,375,378	118,137
Public safety	52,065		523,045
Sanitation	2,180,956		
Health	980,149		628,220
Social services	120,409		688,945
Total Current	9,565,027	2,375,378	6,929,774

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

Exhibit B

	General	Road	Other Funds in the Aggregate
EXPENDITURES (CONTINUED)			
Debt Service:			
Lease principal		\$ 51,883	
Lease interest		12,290	
Notes payable - principal	\$ 210,927		
Notes payable - interest	20,932		
TOTAL EXPENDITURES	9,796,886	2,439,551	\$ 6,929,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(626,121)	76,410	986,817
OTHER FINANCING SOURCES (USES)			
Transfers in	59,059	6,027	1,447,595
Transfers out	(1,027,033)	(141,135)	(344,513)
TOTAL OTHER FINANCING SOURCES (USES)	(967,974)	(135,108)	1,103,082
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,594,095)	(58,698)	2,089,899
FUND BALANCES - JANUARY 1	3,877,480	2,023,572	9,321,423
FUND BALANCES - DECEMBER 31	\$ 2,283,385	\$ 1,964,874	\$ 11,411,322

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, 2010

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 656,441	\$ 566,648	\$ (89,793)	\$ 1,476,415	\$ 1,477,601	\$ 1,186
Federal aid	37,413	18,252	(19,161)	22,091	22,091	
Property taxes	1,255,392	1,242,117	(13,275)	754,071	759,695	5,624
Sales taxes	2,043,027	2,045,633	2,606			
Fines, forfeitures, and costs	982,947	984,149	1,202			
Interest	4,956	65,615	60,659	11,040	43,266	32,226
Officers' fees	217,481	216,035	(1,446)			
Landfill fees	2,386,921	2,571,950	185,029			
Treasurer's commission	232,610	161,963	(70,647)			
Collector's commission	384,756	370,747	(14,009)			
Taxes apportioned - Assessor's salary and expense	572,870	572,870				
Other	376,348	446,500	70,152	243,203	242,967	(236)
TOTAL REVENUES	9,151,162	9,262,479	111,317	2,506,820	2,545,620	38,800
Less: Treasurer's commission	161,514	91,714	69,800	29,375	29,659	(284)
NET REVENUES	8,989,648	9,170,765	181,117	2,477,445	2,515,961	38,516
EXPENDITURES						
Current:						
General government	3,335,928	3,326,824	9,104			
Law enforcement	2,904,624	2,904,624				
Highways and streets				2,584,119	2,375,378	208,741
Public safety	52,065	52,065				
Sanitation	2,412,814	2,180,956	231,858			
Health	1,140,446	980,149	160,297			
Social services	120,409	120,409				
Total Current	9,966,286	9,565,027	401,259	2,584,119	2,375,378	208,741
Debt Service:						
Lease principal					51,883	(51,883)
Lease interest					12,290	(12,290)
Notes payable-principal		210,927	(210,927)			
Notes payable-interest		20,932	(20,932)			
TOTAL EXPENDITURES	9,966,286	9,796,886	169,400	2,584,119	2,439,551	144,568

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, 2010

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (976,638)</u>	<u>\$ (626,121)</u>	<u>\$ 350,517</u>	<u>\$ (106,674)</u>	<u>\$ 76,410</u>	<u>\$ 183,084</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,506,261	59,059	(1,447,202)	98,527	6,027	(92,500)
Transfers out	<u>(863,696)</u>	<u>(1,027,033)</u>	<u>(163,337)</u>	<u>(141,135)</u>	<u>(141,135)</u>	<u>(141,135)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>642,565</u>	<u>(967,974)</u>	<u>(1,610,539)</u>	<u>98,527</u>	<u>(135,108)</u>	<u>(233,635)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(334,073)	(1,594,095)	(1,260,022)	(8,147)	(58,698)	(50,551)
FUND BALANCES - JANUARY 1	<u>4,051,365</u>	<u>3,877,480</u>	<u>(173,885)</u>	<u>2,009,607</u>	<u>2,023,572</u>	<u>13,965</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,717,292</u>	<u>\$ 2,283,385</u>	<u>\$ (1,433,907)</u>	<u>\$ 2,001,460</u>	<u>\$ 1,964,874</u>	<u>\$ (36,586)</u>

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 the primary operating fund and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: General, Landfill, and Employee Insurance.

Road Fund - The Road Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for maintaining and constructing county 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 the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. 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, Sheriff's Commissary, Sheriff's Firing Range, Sheriff's Helicopter, Historical Preservation Grant, Senior Citizens, Emergency 911, Drug Task Force, Local Emergency Response Grant, County Clerk's Marriage License, Court Automation, Collector's Automation, County Clerk's Automation, Juvenile Detention, Pandemic Grant, West Nile Virus, Treasurer's Automation, Homeland Security Grants, Game Protection, Assessor's Amendment no. 79, Interoperable Emergency Communications Grant, National Diesel Emissions Reduction Grant, County Hospital, Department of Health and Human Services Grant, and Courthouse Security Grant.

Agency Funds - Agency Funds are used to account for assets held by the entity as an agent for individuals, private organizations, other governmental units, and other funds. The following Agency Funds are reported with other funds in the aggregate: County Treasurer: Treasurer's Interest, Cash Bond, Common Schools, State Highway Department, Investment and Savings Interest, Public Defender User Fee, Justice Act 1256, Justice Enhancement, Rural Fire Department, State Land Commissioner, Mississippi County Right-of-Way, State Treasurer (Acts 65, 431 and 2246), Deoxyribonucleic Acid Sheriff Report, Liability Insurance, Child Passenger, Drug Crime Special Assessment, Blytheville Law Library, Osceola Law Library, School District Coordinator, South Mississippi County School, and Change; Tax Collector: Current Tax, Delinquent Tax, and Change; Sheriff: Bond and Fee, Inmate Commissary, Petty Cash, and Change; County Clerk: Fee and Change; Circuit Clerk: Fee, Trust, and Change; County Judge: Landfill and Election Commission; and Juvenile Probation and Senior Citizens.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues 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. 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, and taxes that have not been transferred to the appropriate entities.

Fund Balance

1. Reserved Fund Balance indicates that portion of fund balance that is not appropriable for expenditure or is legally segregated for a specific future use.
2. Designated Fund Balance indicates that portion of fund balance for which the entity has made tentative plans for financial resource utilization in a future period.
3. Undesignated Fund Balance indicates that portion of fund balance not reserved or designated.

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 10.

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2: Cash

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

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The County deposits may be in the form of checking accounts, savings accounts, and/or time deposits. Public funds may also be invested in direct obligations of the United States of America and obligations the principal and interest on which are fully guaranteed by the United States of America.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2010 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 88,595	\$ 110,820	\$ 35,390
Federal aid			44,041
Property taxes	804		
Sales taxes	156,644		357,513
Fines, forfeitures, and costs	38,802		31,061
Interest	1,167	2,027	26,774
Officers' fees	2,895		30,963
Jail fees			2,000
Emergency 911 fees			12,761
Landfill fees	185,029		
Other	61,956		8,043
Totals	\$ 535,892	\$ 112,847	\$ 548,546

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2010 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 508,071	\$ 44,036	\$ 120,028

NOTE 6: 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, 2010, the legal debt limit for bonded debt was \$44,626,998. 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, 2010, the legal debt limit for short-term financing obligations was \$12,217,232. The amount of short-term financing obligations was \$731,855, leaving a legal debt margin of \$11,485,377.

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 7: Reserved Fund Balance

Reserved fund balance consists of the following:

	December 31, 2010
<u>Road</u>	\$ 1,964,874
 <u>Other Funds in the Aggregate</u>	
Special Revenue Funds:	
County Recorder's Cost	\$ 270,007
County Jail Sales Tax	212,760
Boating Safety (Act 122)	1,520
Economic Development	10,073,422
Detention Center (Act 1188)	30,936
Sheriff's Communication, Facility, and Equipment	86,229
Child Support Collection Costs	4,493
Juvenile Fees	6,039
Officers' Protection Equipment	287
Sheriff's Commissary	39,017
Sheriff's Firing Range	7,293
Sheriff's Helicopter	9,137
Senior Citizens	172,895
Emergency 911	171,000
Local Emergency Response Grant	1,919
County Clerk's Marriage License	452
Court Automation	25,024
Collector's Automation	137,273
County Clerk's Automation	8,935
Juvenile Detention	3,718
Pandemic Grant	1,185
West Nile Virus	3,588
Treasurer's Automation	45,861
Game Protection	5,522
Assessor's Amendment no. 79	8,296
National Diesel Emissions Reduction Grant	84,508
County Hospital	6
Total Other Funds in the Aggregate	\$ 11,411,322

NOTE 8: General Fund - Designated Fund Balance

General Fund designated fund balance consists of the following:

Description	December 31, 2010
Landfill closure and postclosure care costs	\$ 328,241
Employee Insurance	5,391
Total	\$ 333,632

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2010:

	December 31, 2010
Long-Term liabilities	\$ 2,691,728
Noncancellable lease	425,532
Construction and service contracts	691,234
Total Commitments	\$ 3,808,494

Long-Term Liabilities

Long-Term liabilities at December 31, 2010 are comprised of the following:

	December 31, 2010
Compensated absences	\$ 180,521
Estimated liability for landfill closure and postclosure care costs.	1,779,352
Note payable entered on June 5, 2006 with First National Bank of Blytheville for the purchase of a Trashmaster compactor; interest at 4.09%; monthly installments of \$7,656 for 60 months. Payments are to be made from the General Fund.	45,390
Note payable entered on April 16, 2008 with First National Bank of Blytheville for the purchase of a Terex Model TC400 compactor, interest at 3.98%; monthly installments of \$7,726 for 60 months. Payments are to be made from the General Fund.	199,484
Note payable entered on May 29, 2009 with Southern Bancorp for the purchase of 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.	175,821
Lease-purchase agreement entered on January 5, 2010 with Caterpillar Financial Services for the purchase of a Caterpillar motor grader, interest at 3.60%; monthly installments of \$1,457 for 34 months and one payment of \$131,457. Payments are to be made from the Road Fund.	155,068
Lease-purchase agreement entered on January 5, 2010 with Caterpillar Financial Services for the purchase of a Caterpillar motor grader, interest at 3.60%; monthly installments of \$1,457 for 34 months and one payment of \$131,457. Payments are to be made from the Road Fund.	156,092
Total Long-Term Liabilities	\$ 2,691,728

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 9: Commitments (Continued)

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 that 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 \$1,779,352 as of December 31, 2010, which is based on 60 percent use of the class one landfill and 100 percent use of the class four landfill's capacity. The Class Four landfill is closed and is awaiting acceptance of the final cover closure certification report. The County will recognize the remaining estimated cost of closure and postclosure care of \$924,078 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has set aside \$328,241 as a designated fund balance in the General Fund intended for closure and postclosure care costs. Also, a letter of credit from Southern Bancorp in the amount not to exceed \$1,537,742 has been issued.

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2010:

Years Ending December 31,	Notes	Leases	Total
2011	\$ 186,534	\$ 32,049	\$ 218,583
2012	147,629	34,961	182,590
2013	86,108	264,370	350,478
2014	22,888		22,888
Total Obligations	443,159	331,380	774,539
Less Interest	22,464	20,220	42,684
Total Principal	<u>\$ 420,695</u>	<u>\$ 311,160</u>	<u>\$ 731,855</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 entered into a noncancellable lease agreement for a copier on December 7, 2007. Terms of the lease are monthly rental payments of \$322 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 December 7, 2007. Terms of the lease are monthly rental payments of \$298 for 60 months. The County will return the copier at the end of the lease term.

The County entered into a noncancellable lease agreement with the Blytheville-Gosnell Regional Airport Authority for a building on March 19, 2008. Terms of the lease are monthly rental payments of \$14,583 for 60 months. At the end of the lease, the County has three two-year extension options.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 9: Commitments (Continued)

Noncancellable Leases (Continued)

The County is obligated for the following amounts for the next four years:

<u>Year</u>	<u>December 31, 2010</u>
2011	\$ 187,046
2012	187,046
2013	48,364
2014	<u>3,076</u>
Total	<u>\$ 425,532</u>

Rental expense for 2010 was \$187,046.

Construction and Service Contracts

The County was contractually obligated for the following construction and service contracts at December 31, 2010:

<u>Project Name</u>	<u>Estimated or Actual Completion Date</u>	<u>Contract Balance December 31, 2010</u>
Records Scanning Project	January 2012	\$ 45,500
Records Digitization Project	December 2012	350,606
Index of Land Records Project	July 2013	214,379
Records Redaction Project	April 2011	23,788
Osceola Courthouse Window Restoration	January 2011	14,249
Osceola Courthouse Window Restoration	January 2011	<u>42,712</u>
Total		<u>\$ 691,234</u>

NOTE 10: Interfund Transfers

The General Fund transferred \$1,024,149 to the Other Funds in the Aggregate and \$2,884 to the Road Fund for operating purposes. The Road Fund transferred \$928 to the General Fund and \$140,207 to the Other Funds in the Aggregate for reimbursement purposes. The Other Funds in the Aggregate transferred \$58,131 to the General Fund, \$3,143 to the Road Fund, and \$283,239 from within for reimbursement purposes.

NOTE 11: Joint Venture: 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 (ten 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 Mississippi County, Arkansas. Separate financial statements of the Regional Library are not available. The County made no payments to the Regional Library in 2010.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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.

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 \$1,000 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, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

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.

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

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	\$ 256,303	\$ 128,907	\$ 1,040	\$ 9,840,658		\$ 78,348	\$ 4,442	\$ 5,359	\$ 287
Accounts receivable	22,271	124,937	480	261,806	\$ 30,936	8,373	51	680	
TOTAL ASSETS	<u>\$ 278,574</u>	<u>\$ 253,844</u>	<u>\$ 1,520</u>	<u>\$ 10,102,464</u>	<u>\$ 30,936</u>	<u>\$ 86,721</u>	<u>\$ 4,493</u>	<u>\$ 6,039</u>	<u>\$ 287</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 8,567	\$ 41,084		\$ 29,042		\$ 492			
Settlements pending									
Total Liabilities	<u>8,567</u>	<u>41,084</u>		<u>29,042</u>		<u>492</u>			
Fund Balances:									
Reserved (Note 7)	270,007	212,760	\$ 1,520	10,073,422	\$ 30,936	86,229	\$ 4,493	\$ 6,039	\$ 287
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 278,574</u>	<u>\$ 253,844</u>	<u>\$ 1,520</u>	<u>\$ 10,102,464</u>	<u>\$ 30,936</u>	<u>\$ 86,721</u>	<u>\$ 4,493</u>	<u>\$ 6,039</u>	<u>\$ 287</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

Schedule 1

	SPECIAL REVENUE FUNDS								
	Sheriff's Commissary	Sheriff's Firing Range	Sheriff's Helicopter	Senior Citizens	Emergency 911	Local Emergency Response Grant	County Clerk's Marriage License	Court Automation	Collector's Automation
ASSETS									
Cash and cash equivalents	\$ 38,892	\$ 7,269	\$ 9,107	\$ 117,216	\$ 176,481	\$ 1,913	\$ 570	\$ 25,641	\$ 137,498
Accounts receivable	125	24	30	75,542	13,199	6	94	540	284
TOTAL ASSETS	<u>\$ 39,017</u>	<u>\$ 7,293</u>	<u>\$ 9,137</u>	<u>\$ 192,758</u>	<u>\$ 189,680</u>	<u>\$ 1,919</u>	<u>\$ 664</u>	<u>\$ 26,181</u>	<u>\$ 137,782</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 19,863	\$ 18,680		\$ 212	\$ 1,157	\$ 509
Settlements pending									
Total Liabilities				<u>19,863</u>	<u>18,680</u>		<u>212</u>	<u>1,157</u>	<u>509</u>
Fund Balances:									
Reserved (Note 7)	<u>\$ 39,017</u>	<u>\$ 7,293</u>	<u>\$ 9,137</u>	<u>172,895</u>	<u>171,000</u>	<u>\$ 1,919</u>	<u>452</u>	<u>25,024</u>	<u>137,273</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,017</u>	<u>\$ 7,293</u>	<u>\$ 9,137</u>	<u>\$ 192,758</u>	<u>\$ 189,680</u>	<u>\$ 1,919</u>	<u>\$ 664</u>	<u>\$ 26,181</u>	<u>\$ 137,782</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

Schedule 1

	SPECIAL REVENUE FUNDS								
	County Clerk's Automation	Juvenile Detention	Pandemic Grant	West Nile Virus	Treasurer's Automation	Game Protection	Assessor's Amendment no. 79	National Diesel Emissions Reduction Grant	County Hospital
ASSETS									
Cash and cash equivalents	\$ 8,508	\$ 3,718	\$ 1,185	\$ 3,576	\$ 45,852	\$ 5,522	\$ 4	\$ 84,508	
Accounts receivable	710			12	148		8,292		\$ 6
TOTAL ASSETS	\$ 9,218	\$ 3,718	\$ 1,185	\$ 3,588	\$ 46,000	\$ 5,522	\$ 8,296	\$ 84,508	\$ 6
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 283				\$ 139				
Settlements pending									
Total Liabilities	283				139				
Fund Balances:									
Reserved (Note 7)	8,935	\$ 3,718	\$ 1,185	\$ 3,588	45,861	\$ 5,522	\$ 8,296	\$ 84,508	\$ 6
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,218	\$ 3,718	\$ 1,185	\$ 3,588	\$ 46,000	\$ 5,522	\$ 8,296	\$ 84,508	\$ 6

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

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	Senior Citizens	Totals
ASSETS									
Cash and cash equivalents	\$ 544,486	\$ 243,661	\$ 80,038	\$ 5,472	\$ 184,270	\$ 195,806	\$ 8,629	\$ 3,629	\$ 12,248,795
Accounts receivable									548,546
TOTAL ASSETS	<u>\$ 544,486</u>	<u>\$ 243,661</u>	<u>\$ 80,038</u>	<u>\$ 5,472</u>	<u>\$ 184,270</u>	<u>\$ 195,806</u>	<u>\$ 8,629</u>	<u>\$ 3,629</u>	<u>\$ 12,797,341</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 120,028
Settlements pending	\$ 544,486	\$ 243,661	\$ 80,038	\$ 5,472	\$ 184,270	\$ 195,806	\$ 8,629	\$ 3,629	1,265,991
Total Liabilities	<u>544,486</u>	<u>243,661</u>	<u>80,038</u>	<u>5,472</u>	<u>184,270</u>	<u>195,806</u>	<u>8,629</u>	<u>3,629</u>	<u>1,386,019</u>
Fund Balances:									
Reserved (Note 7)									<u>11,411,322</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 544,486</u>	<u>\$ 243,661</u>	<u>\$ 80,038</u>	<u>\$ 5,472</u>	<u>\$ 184,270</u>	<u>\$ 195,806</u>	<u>\$ 8,629</u>	<u>\$ 3,629</u>	<u>\$ 12,797,341</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, 2010

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
REVENUES								
State aid			\$ 3,377					
Federal aid				\$ 119,766				
Property taxes								
Sales taxes		\$ 1,556,043		3,112,130				
Fines, forfeitures, and costs					\$ 126,771			
Interest	\$ 5,931	1,244	7	174,686	961	\$ 1,473	\$ 78	
Officers' fees	243,767					82,230	1,014	\$ 12,114
Jail fees		535,734						
Emergency 911 fees								
Treasurer's commission								
Collector's commission								
Other		27,566		1,001				
TOTAL REVENUES	249,698	2,120,587	3,384	3,407,583	127,732	83,703	1,092	12,114
Less: Treasurer's commission								
NET REVENUES	249,698	2,120,587	3,384	3,407,583	127,732	83,703	1,092	12,114
EXPENDITURES								
Current:								
General government	337,545			1,142,453				
Law enforcement		3,049,623				78,766		
Highways and streets								
Public safety			2,397					
Health								
Social services								
TOTAL EXPENDITURES	337,545	3,049,623	2,397	1,142,453		78,766		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(87,847)	(929,036)	987	2,265,130	127,732	4,937	1,092	12,114
OTHER FINANCING SOURCES (USES)								
Transfers in		968,919						
Transfers out		(1,985)			(161,205)			(8,198)
TOTAL OTHER FINANCING SOURCES (USES)		966,934			(161,205)			(8,198)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(87,847)	37,898	987	2,265,130	(33,473)	4,937	1,092	3,916
FUND BALANCES - JANUARY 1	357,854	174,862	533	7,808,292	64,409	81,292	3,401	2,123
FUND BALANCES - DECEMBER 31	\$ 270,007	\$ 212,760	\$ 1,520	\$ 10,073,422	\$ 30,936	\$ 86,229	\$ 4,493	\$ 6,039

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, 2010

Schedule 2

SPECIAL REVENUE FUNDS

	Officers' Protection Equipment	Sheriff's Commissary	Sheriff's Firing Range	Sheriff's Helicopter	Historical Preservation Grant	Senior Citizens	Emergency 911	Drug Task Force	Local Emergency Response Grant
REVENUES									
State aid					\$ 47,278	\$ 151,770			
Federal aid						418,800			
Property taxes									
Sales taxes									
Fines, forfeitures, and costs								\$ 407	
Interest	\$ 32	\$ 566	\$ 164	\$ 220		2,628	\$ 3,454	56	\$ 35
Officers' fees									
Jail fees									
Emergency 911 fees							459,121		
Treasurer's commission									
Collector's commission									
Other	14,450	26,122		82		7,282	50		
TOTAL REVENUES	14,482	26,688	164	302	47,278	580,480	462,625	463	35
Less: Treasurer's commission									
NET REVENUES	14,482	26,688	164	302	47,278	580,480	462,625	463	35
EXPENDITURES									
Current:									
General government					52,813				
Law enforcement	14,195	17,878	3,549	5,353				6,636	
Highways and streets									
Public safety							419,571		
Health									
Social services						688,945			
TOTAL EXPENDITURES	14,195	17,878	3,549	5,353	52,813	688,945	419,571	6,636	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	287	8,810	(3,385)	(5,051)	(5,535)	(108,465)	43,054	(6,173)	35
OTHER FINANCING SOURCES (USES)									
Transfers in					48,406	105,991		107	
Transfers out					(42,871)	(812)	(122,380)		
TOTAL OTHER FINANCING SOURCES (USES)					5,535	105,179	(122,380)	107	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	287	8,810	(3,385)	(5,051)		(3,286)	(79,326)	(6,066)	35
FUND BALANCES - JANUARY 1		30,207	10,678	14,188		176,181	250,326	6,066	1,884
FUND BALANCES - DECEMBER 31	\$ 287	\$ 39,017	\$ 7,293	\$ 9,137	\$ 0	\$ 172,895	\$ 171,000	\$ 0	\$ 1,919

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, 2010

Schedule 2

SPECIAL REVENUE FUNDS

	County Clerk's Marriage License	Court Automation	Collector's Automation	County Clerk's Automation	Juvenile Detention	Pandemic Grant	West Nile Virus	Treasurer's Automation	Homeland Security Grants
REVENUES									
State aid									
Federal aid									\$ 76,831
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 9,560							
Interest	\$ 8	1,125	\$ 1,557	\$ 234	\$ 474		\$ 67	\$ 764	
Officers' fees	908			7,285					
Jail fees									
Emergency 911 fees									
Treasurer's commission								36,849	
Collector's commission			73,728						
Other									
TOTAL REVENUES	916	10,685	75,285	7,519	474		67	37,613	76,831
Less: Treasurer's commission									
NET REVENUES	916	10,685	75,285	7,519	474		67	37,613	76,831
EXPENDITURES									
Current:									
General government	829		42,859	11,645				14,022	
Law enforcement		44,899			83,677				
Highways and streets									
Public safety									95,992
Health									
Social services									
TOTAL EXPENDITURES	829	44,899	42,859	11,645	83,677			14,022	95,992
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	87	(34,214)	32,426	(4,126)	(83,203)		67	23,591	(19,161)
OTHER FINANCING SOURCES (USES)									
Transfers in									19,161
Transfers out								(2,249)	
TOTAL OTHER FINANCING SOURCES (USES)								(2,249)	19,161
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	87	(34,214)	32,426	(4,126)	(83,203)		67	21,342	
FUND BALANCES - JANUARY 1	365	59,238	104,847	13,061	86,921	\$ 1,185	3,521	24,519	
FUND BALANCES - DECEMBER 31	\$ 452	\$ 25,024	\$ 137,273	\$ 8,935	\$ 3,718	\$ 1,185	\$ 3,588	\$ 45,861	\$ 0

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, 2010

Schedule 2

	SPECIAL REVENUE FUNDS							Totals
	Game Protection	Assessor's Amendment no. 79	Interoperable Emergency Communications Grant	National Diesel Emissions Reduction Grant	County Hospital	Department of Health and Human Services Grant	Courthouse Security Grant	
REVENUES								
State aid	\$ 5,522	\$ 19,117			\$ 62,002	\$ 11,338		\$ 300,404
Federal aid			\$ 4,349	\$ 62,438				682,184
Property taxes					405,486			405,486
Sales taxes								4,668,173
Fines, forfeitures, and costs								136,738
Interest		265			945			196,974
Officers' fees								347,318
Jail fees								535,734
Emergency 911 fees								459,121
Treasurer's commission								36,849
Collector's commission								73,728
Other								76,553
TOTAL REVENUES	5,522	19,382	4,349	62,438	468,433	11,338		7,919,262
Less: Treasurer's commission					2,671			2,671
NET REVENUES	5,522	19,382	4,349	62,438	465,762	11,338		7,916,591
EXPENDITURES								
Current:								
General government	30,028	21,859				12,798		1,666,851
Law enforcement								3,304,576
Highways and streets				118,137				118,137
Public safety			4,351				\$ 734	523,045
Health					628,220			628,220
Social services								688,945
TOTAL EXPENDITURES	30,028	21,859	4,351	118,137	628,220	12,798	734	6,929,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,506)	(2,477)	(2)	(55,699)	(162,458)	(1,460)	(734)	986,817
OTHER FINANCING SOURCES (USES)								
Transfers in			4,351	140,207	160,453			1,447,595
Transfers out			(4,349)		(214)	(250)		(344,513)
TOTAL OTHER FINANCING SOURCES (USES)			2	140,207	160,239	(250)		1,103,082
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(24,506)	(2,477)		84,508	(2,219)	(1,710)	(734)	2,089,899
FUND BALANCES - JANUARY 1	30,028	10,773			2,225	1,710	734	9,321,423
FUND BALANCES - DECEMBER 31	\$ 5,522	\$ 8,296	\$ 0	\$ 84,508	\$ 6	\$ 0	\$ 0	\$ 11,411,322

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2010

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

<u>Fund Name</u>	<u>Fund Description</u>
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Jail Sales Tax	Mississippi County Ordinance no. O-98-11 (July 28, 1998) providing for a one-fourth of one percent sales and use tax to be designated for the purpose of financing the library and the operation and maintenance of court facilities, jails, juvenile facilities, and sheriff's stations. The County places jail fees and other revenues in this fund as well.
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) providing for the levy of a one-half percent sales tax for economic development purposes.
Detention Center (Act 1188)	Ark. Code Ann. § 16-17-129 authorized all city and county governments to levy an additional fine up to \$20 to help defray the expense of incarcerating prisoners in city and county jails.
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 collect 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.
Sheriff's Commissary	Ark. Code Ann. § 12-41-105 established fund to receive up to 50% of the commissions on prisoner telephone services to be used for jail maintenance and operation and communications equipment.
Sheriff's Firing Range	Mississippi County Ordinance no. 2002-3 (February 26, 2002) established this fund to maintain the firing range.
Sheriff's Helicopter	Mississippi County Ordinance no. 2002-3 (February 26, 2002) established this fund to be used for Sheriff helicopter expenses.
Historical Preservation Grant	Fund established to account for state grant received from the Arkansas Historic Preservation Program to be used to maintain the Historical Osceola Courthouse.
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.

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2010

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

<u>Fund Name</u>	<u>Fund Description</u>
Drug Task Force	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Local Emergency Response Grant	Mississippi County Ordinance no. 2002-3 (February 26, 2002) established this fund to be used for the office of emergency services.
County Clerk's Marriage License	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for county clerk costs.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive District Court installment fees of 1/2 of \$5 per month on each person to be used for 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 fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
Juvenile Detention	Fund established to account for state grant received from Arkansas Department of Finance and Administration to supplement juvenile detention facilities operations.
Pandemic Grant	Fund established to account for federal grant received to prepare for the flu pandemic.
West Nile Virus	Fund established to account for state grant received from Arkansas Department of Emergency Management to be used for mosquito control.
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 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 Protection	Ark. Code Ann. § 15-41-209 provides for funds received from Arkansas Game and Fish Commission to be distributed to local school districts to promote fish and wildlife conservation 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 purpose of administering Arkansas Constitution, Amendment no. 79.
Interoperable Emergency Communications Grant	Fund established to account for federal grant through the Department of Emergency Management used for development of standardized interoperable communication operation procedures and training for and exercise of such procedures.
National Diesel Emissions Reduction Grant	Fund established to account for federal grant through the National Diesel Emissions Reduction Program used for engine upgrades and replacement.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2010

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

<u>Fund Name</u>	<u>Fund Description</u>
County Hospital	Mississippi County Ordinance no. 2006-12 (November 28, 2006) established a four mill real and personal tax for hospital purposes.
Department of Health and Human Services Grant	Fund established to account for state grant received to improve access to polling places for disabled voters.
Courthouse Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.

Treasurer's accounts consist primarily of taxes 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.

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

County Judge's accounts consist primarily of landfill monies and other fees due to Treasurer.

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

Senior Citizens account consists of program income awaiting disposition to the County.

MISSISSIPPI COUNTY, ARKANSAS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2010
(Unaudited)

Schedule 3

	<u>December 31, 2010</u>
Land	\$ 2,857,018
Buildings	18,303,159
Equipment	<u>8,725,911</u>
Total	<u><u>\$ 29,886,088</u></u>

MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2010
(Unaudited)

Schedule 4

<u>General</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Assets	\$ 2,791,456	\$ 4,390,578	\$ 8,571,262	\$ 6,694,932	\$ 4,459,854
Total Liabilities	508,071	339,213	95,525		
Total Fund Balances	2,283,385	4,051,365	8,475,737	6,694,932	4,459,854
Net Revenues	9,170,765	9,269,651	9,609,962	9,503,541	8,217,635
Total Expenditures	9,796,886	13,522,901	7,868,339	7,344,159	6,773,786
Total Other Financing Sources/Uses	(967,974)	(171,122)	(306,274)	(643,514)	(218,864)
<u>Road</u>					
Total Assets	\$ 2,008,910	\$ 2,117,729	\$ 2,254,556	\$ 2,098,849	\$ 1,534,373
Total Liabilities	44,036	94,157	244,949		
Total Fund Balances	1,964,874	2,023,572	2,009,607	2,098,849	1,534,373
Net Revenues	2,515,961	2,106,181	2,382,618	2,226,659	2,061,722
Total Expenditures	2,439,551	2,092,216	2,493,040	1,662,183	2,013,903
Total Other Financing Sources/Uses	(135,108)				
<u>Other Funds in the Aggregate</u>					
Total Assets	\$ 12,797,341	\$ 13,060,834	\$ 12,224,318	\$ 10,046,893	\$ 12,737,139
Total Liabilities	1,386,019	3,739,411	3,444,044	3,632,132	6,961,911
Total Fund Balances	11,411,322	9,321,423	8,780,274	6,414,761	5,775,228
Net Revenues	7,916,591	7,605,467	9,194,481	7,308,761	6,817,064
Total Expenditures	6,929,774	7,485,440	8,026,896	7,312,742	7,936,271
Total Other Financing Sources/Uses	1,103,082	421,122	726,020	643,514	729,064

The financial statements are prepared on the regulatory basis of accounting as reported in Note 1(C) of the audit reports.