

Mississippi County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2009

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS
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Rep. Tim Summers
House Chair
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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, 2009, 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, 2009, 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, 2009, 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, 2009, 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 March 9, 2011 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 blue ink, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas
March 9, 2011
LOCO04709

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, 2009, and have issued our report thereon dated March 9, 2011. 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 other funds in the aggregate was adverse for not including the Mississippi County Library and County Hospital Board Funds, which are material to 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 certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 deficiencies to be material weaknesses:

2009-1 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.

2009-2 Federal law requires a compliance audit when an entity expends \$500,000 or more in federal funds in one year. Mississippi County exceeded the \$500,000 threshold and obtained a federal compliance audit, however, the Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government was not included in the federal compliance audit. The expenditures of this program were not audited to determine compliance with federal regulations and the amount of funds, if any, not in accordance with federal program requirements that would be subject to refund by the County. We recommend the County have their 2009 federal audit updated to include the expenditures of this program.

The County Judge concurred with the above recommendation and will have the 2009 federal audit updated to include the expenditures of the Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the Internal Control over Financial Reporting section as item 2009-2.

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 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 2009:

County Judge: Steve McGuire
Treasurer: Glenda Hollingsead
Sheriff: Leroy Meadows (Deceased March 2009), James Sanders (Appointed April 6, 2009)
Tax Collector: Patricia Caldwell
County Clerk: Lib Shippen
Circuit Clerk: Donna Bray

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

County Judge


The review of the prior year audit report and accompanying findings was not documented in the Quorum Court minutes as required by Ark. Code Ann. § 10-4-418.

Sheriff

A cash count performed on October 7, 2010 of the Sheriff's Office inmate commissary fund revealed unaccounted for funds of \$5,348. In addition, receipts totaling \$8,238 were not deposited in the bank account for this fund during January 1, 2009 through October 7, 2010, resulting in unaccounted for funds totaling \$13,586. The custodian of the account, Stacie Bryant, indicated she did not possess the capabilities to reconcile and properly oversee the account and that funds were placed in a safe which did not have limited access.

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
March 9, 2011

MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2009

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,944,010	\$ 2,007,554	\$ 12,442,005
Accounts receivable	444,319	110,175	618,829
Interfund receivables	2,249		
TOTAL ASSETS	\$ 4,390,578	\$ 2,117,729	\$ 13,060,834
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 322,169	\$ 92,872	\$ 132,443
Interfund payables			2,249
Settlements pending	17,044	1,285	3,604,719
Total Liabilities	339,213	94,157	3,739,411
Fund Balances:			
Reserved (Note 9)		2,023,572	9,321,423
Unreserved:			
Designated (Note 10)	723,777		
Undesignated	3,327,588		
Total Fund Balances	4,051,365	2,023,572	9,321,423
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,390,578	\$ 2,117,729	\$ 13,060,834

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, 2009

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 514,881	\$ 1,397,052	\$ 257,745
Federal aid	198,602	18,122	652,393
Property taxes	865,290	606,878	152,132
Sales taxes	1,906,082		4,349,335
Fines, forfeitures, and costs	1,004,391		152,185
Interest	210,727	66,304	231,352
Officers' fees	220,136		365,429
Jail fees			688,713
Emergency 911 fees			444,210
Landfill fees	2,255,198		
Treasurer's commission	133,042		35,774
Collector's commission	325,191		65,071
Taxes apportioned - Assessor's salary and expense	549,346		
Other	1,173,003	36,922	211,128
	9,355,889	2,125,278	7,605,467
TOTAL REVENUES			
Less: Treasurer's commission	86,238	19,097	
	9,269,651	2,106,181	7,605,467
NET REVENUES			
EXPENDITURES			
Current:			
General government	3,445,329		1,081,151
Law enforcement	2,538,536		2,875,406
Highways and streets		1,902,684	
Public safety	245,564		383,145
Sanitation	2,543,496		
Health	4,400,879		2,507,016
Social services	116,354		638,722
Total Current	13,290,158	1,902,684	7,485,440
Debt Service:			
Lease principal		183,021	
Lease interest		6,511	
Note payable - principal	212,625		
Note payable - interest	20,118		
	232,743	189,532	
TOTAL EXPENDITURES	13,522,901	2,092,216	7,485,440

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,253,250)	\$ 13,965	\$ 120,027
OTHER FINANCING SOURCES (USES)			
Transfers in	26,226		529,303
Transfers out	(447,348)		(108,181)
Note proceeds	250,000		
TOTAL OTHER FINANCING SOURCES (USES)	(171,122)		421,122
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,424,372)	13,965	541,149
FUND BALANCES - JANUARY 1	8,475,737	2,009,607	8,780,274
FUND BALANCES - DECEMBER 31	\$ 4,051,365	\$ 2,023,572	\$ 9,321,423

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, 2009

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 479,351	\$ 514,881	\$ 35,530	\$ 1,388,329	\$ 1,397,052	\$ 8,723
Federal aid	229,498	198,602	(30,896)	18,122	18,122	
Property taxes	1,008,196	865,290	(142,906)	610,122	606,878	(3,244)
Sales taxes	1,921,665	1,906,082	(15,583)			
Fines, forfeitures, and costs	999,041	1,004,391	5,350			
Interest	41,510	210,727	169,217	21,887	66,304	44,417
Officers' fees	220,689	220,136	(553)			
Landfill fees	2,498,151	2,255,198	(242,953)			
Treasurer's commission	233,039	133,042	(99,997)			
Collector's commission	371,817	325,191	(46,626)			
Taxes apportioned - Assessor's salary and expense	514,043	549,346	35,303			
Other	1,357,322	1,173,003	(184,319)	48,041	36,922	(11,119)
TOTAL REVENUES	9,874,322	9,355,889	(518,433)	2,086,501	2,125,278	38,777
Less: Treasurer's commission	182,745	86,238	96,507	19,095	19,097	(2)
NET REVENUES	9,691,577	9,269,651	(421,926)	2,067,406	2,106,181	38,775
EXPENDITURES						
Current:						
General government	4,231,077	3,445,329	785,748			
Law enforcement	2,514,204	2,538,536	(24,332)			
Highways and streets				2,288,255	1,902,684	385,571
Public safety	245,564	245,564				
Sanitation	2,670,077	2,543,496	126,581			
Health	4,400,879	4,400,879				
Social services	116,354	116,354				
Total Current	14,178,155	13,290,158	887,997	2,288,255	1,902,684	385,571
Debt Service:						
Lease principal					183,021	(183,021)
Lease interest					6,511	(6,511)
Note payable - principal		212,625	(212,625)			
Note payable - interest		20,118	(20,118)			
TOTAL EXPENDITURES	14,178,155	13,522,901	655,254	2,288,255	2,092,216	196,039

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, 2009

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,486,578)	\$ (4,253,250)	\$ 233,328	\$ (220,849)	\$ 13,965	\$ 234,814
OTHER FINANCING SOURCES (USES)						
Transfers in		26,226	26,226			
Transfers out	(497,349)	(447,348)	50,001			
Note proceeds		250,000	250,000			
TOTAL OTHER FINANCING SOURCES (USES)	(497,349)	(171,122)	326,227			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,983,927)	(4,424,372)	559,555	(220,849)	13,965	234,814
FUND BALANCES - JANUARY 1	8,475,737	8,475,737		2,098,849	2,009,607	(89,242)
FUND BALANCES - DECEMBER 31	\$ 3,491,810	\$ 4,051,365	\$ 559,555	\$ 1,878,000	\$ 2,023,572	\$ 145,572

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 Communications Facility and Equipment, Child Support Collection Costs, Juvenile Fees, Sheriff's Block Grant, 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, 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: Treasurer - Judicial Enhancement, Liability Insurance, Common School, State Treasurer (Acts 65 and 431), Mississippi County Right-of-Way, Blytheville Law Library, Treasurer's Interest, Birdsong Fire Department, State Land Sales, Collector's Interest, Administration of Justice, Arkansas Highway Department, Investment and Savings Interest, Osceola Law Library, Cash Bond, Schools, Drug Crime Special, and Treasurer's Change; Tax Collector - Current Tax, Delinquent Tax, and Change; Sheriff - Bond and Fee, Commissary, Petty Cash, and Change; County Clerk - Fee and Change; Circuit Clerk - Fee and Trust and Change; Juvenile Probation; and Senior Citizens.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 tax settlements 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 except for the County Hospital.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 119,129	\$ 109,351	\$ 13,613
Property taxes	880	644	155
Sales taxes	154,038		351,515
Fines, forfeitures, and costs	35,445		63,905
Interest	282	180	1,415
Jail fees			39,553
Emergency 911 fees			76,331
Officers' fees	8,096		27,898
Taxes apportioned - Assessor's salary and expense	53,263		
Other	73,186		44,444
Totals	<u>\$ 444,319</u>	<u>\$ 110,175</u>	<u>\$ 618,829</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2009 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 322,169</u>	<u>\$ 92,872</u>	<u>\$ 132,443</u>

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2009	
	Interfund Receivables	Interfund Payables
General Fund	\$ 2,249	
Other Funds in the Aggregate:		
Special Revenue Fund:		
Treasurer's Automation Fund		\$ 2,249
Totals	\$ 2,249	\$ 2,249

Interfund receivables and payables consist of errors in depositing revenues and interfund loans. These balances were repaid on December 16, 2010.

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, 2009, the legal debt limit for bonded debt was \$43,053,579. 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, 2009, the legal debt limit for short-term financing obligations was \$11,778,447. The amount of short-term financing obligations was \$661,965 leaving a legal debt margin of \$11,116,482.

NOTE 8: Federal Funds Program Compliance

The Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government was not audited in accordance with federal program requirements and, therefore, any instances of noncompliance with federal grant requirements for this program have not been determined.

Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 9: Reserved Fund Balance

Reserved fund balance consists of the following:

	December 31, 2009
<u>Road</u>	\$ 2,023,572
<u>Other Funds in the Aggregate</u>	
Special Revenue Funds:	
County Recorder's Cost	\$ 357,854
County Jail Sales Tax	174,862
Boating Safety (Act 122)	533
Economic Development	7,808,292
Detention Center (Act 1188)	64,409
Sheriff's Communications Facility and Equipment	81,292
Child Support Collection Costs	3,401
Juvenile Fees	2,123
Sheriff's Commissary	30,207
Sheriff's Firing Range	10,678
Sheriff's Helicopter	14,188
Senior Citizens	176,181
Emergency 911	250,326
Drug Task Force	6,066
Local Emergency Response Grant	1,884
County Clerk's Marriage License	365
Court Automation	59,238
Collector's Automation	104,847
County Clerk's Automation	13,061
Juvenile Detention	86,921
Pandemic Grant	1,185
West Nile Virus	3,521
Treasurer's Automation	24,519
Game Protection	30,028
Assessor's Amendment no. 79	10,773
County Hospital	2,225
Department of Health and Human Services Grant	1,710
Courthouse Security Grant	734
Total Other Funds in the Aggregate	\$ 9,321,423

NOTE 10: General Fund - Designated Fund Balance

General Fund designated fund balance consists of the following:

Description	December 31, 2009
Landfill closure and postclosure care costs	\$ 701,834
Employee insurance	21,943
Total	\$ 723,777

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2009:

	December 31, 2009
Long-term liabilities	\$ 2,835,729

Long-term Liabilities

Long-term Liabilities at December 31, 2009 are comprised of the following:

	December 31, 2009
Compensated Absences	\$ 304,686
Estimated liability for landfill closure and postclosure care costs	1,869,078
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.	126,231
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.	282,191
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.	223,199
Lease-purchase agreement entered on February 17, 2009 with Welch State Bank for the purchase of a Morbarck M15R Brush Chipper and 2000 Chevrolet C8500 Bucket Truck, interest at 3.72%; monthly installments of \$5,111 for 16 months. Payments are to be made from the Road Fund.	30,344
Total Long-term Liabilities	\$ 2,835,729

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, 2009

NOTE 11: 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 \$1,869,078 as of December 31, 2009, which is based on 56 percent use of the class one landfill and 119 percent use of the class four landfill's capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,152,762 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The Quorum Court intends to set aside \$50,000 for closure and postclosure care costs each year and a letter of credit from First National Bank in the amount not to exceed \$1,196,230 has been issued. To date, \$201,834 in interest has been added to the \$500,000 that has been set aside by the County for a total designated fund balance of \$701,834 in the General Fund.

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, 2009:

<u>Years Ending December 31,</u>	<u>Notes</u>	<u>Leases</u>	<u>Total</u>
2010	\$ 224,115	\$ 30,669	\$ 254,784
2011	193,563		193,563
2012	147,629		147,629
2013	85,829		85,829
2014	22,887		22,887
Total Obligations	674,023	30,669	704,692
Less Interest	42,402	325	42,727
Total Principal	<u>\$ 631,621</u>	<u>\$ 30,344</u>	<u>\$ 661,965</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$447,348 to the Other Funds in the Aggregate for operations. The Other Funds in the Aggregate transferred \$26,226 to the General Fund and \$81,955 within the Other Funds in the Aggregate for reimbursement purposes.

NOTE 13: 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 2009.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 14: Risk Management

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

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

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

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- 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 16: 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, 2009

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 Communications Facility and Equipment	Child Support Collection Costs	Juvenile Fees	Sheriff's Commissary
ASSETS									
Cash and cash equivalents	\$ 334,173	\$ 68,660		\$ 7,597,488	\$ 840	\$ 80,290	\$ 3,364		\$ 30,200
Accounts receivable	23,682	157,347	\$ 533	235,502	63,569	1,512	37	\$ 2,123	7
TOTAL ASSETS	\$ 357,855	\$ 226,007	\$ 533	\$ 7,832,990	\$ 64,409	\$ 81,802	\$ 3,401	\$ 2,123	\$ 30,207
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1	\$ 51,145		\$ 24,698		\$ 510			
Interfund payables									
Settlements pending									
Total Liabilities	1	51,145		24,698		510			
Fund Balances:									
Reserved (Note 9)	357,854	174,862	\$ 533	7,808,292	\$ 64,409	81,292	\$ 3,401	\$ 2,123	\$ 30,207
TOTAL LIABILITIES AND FUND BALANCES	\$ 357,855	\$ 226,007	\$ 533	\$ 7,832,990	\$ 64,409	\$ 81,802	\$ 3,401	\$ 2,123	\$ 30,207

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2009

Schedule 1

SPECIAL REVENUE FUNDS

	Sheriff's Firing Range	Sheriff's Helicopter	Senior Citizens	Emergency 911	Drug Task Force	Local Emergency Response Grant	County Clerk's Marriage License	Court Automation	Collector's Automation
ASSETS									
Cash and cash equivalents	\$ 10,703	\$ 14,185	\$ 153,939	\$ 181,312	\$ 6,825	\$ 1,883	\$ 299	\$ 58,885	\$ 104,953
Accounts receivable	2	3	43,858	76,378	1	1	78	353	23
TOTAL ASSETS	<u>\$ 10,705</u>	<u>\$ 14,188</u>	<u>\$ 197,797</u>	<u>\$ 257,690</u>	<u>\$ 6,826</u>	<u>\$ 1,884</u>	<u>\$ 377</u>	<u>\$ 59,238</u>	<u>\$ 104,976</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 27		\$ 21,616	\$ 7,364	\$ 760		\$ 12		\$ 129
Interfund payables									
Settlements pending									
Total Liabilities	<u>27</u>		<u>21,616</u>	<u>7,364</u>	<u>760</u>		<u>12</u>		<u>129</u>
Fund Balances:									
Reserved (Note 9)	<u>10,678</u>	<u>\$ 14,188</u>	<u>176,181</u>	<u>250,326</u>	<u>6,066</u>	<u>\$ 1,884</u>	<u>365</u>	<u>\$ 59,238</u>	<u>104,847</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,705</u>	<u>\$ 14,188</u>	<u>\$ 197,797</u>	<u>\$ 257,690</u>	<u>\$ 6,826</u>	<u>\$ 1,884</u>	<u>\$ 377</u>	<u>\$ 59,238</u>	<u>\$ 104,976</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2009

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	County Hospital	Department of Health and Human Services Grant	Courthouse Security Grant
ASSETS										
Cash and cash equivalents	\$ 12,651	\$ 89,652	\$ 1,185	\$ 3,520	\$ 49,809	\$ 16,948	\$ 10,821	\$ 2,580	\$ 1,710	\$ 734
Accounts receivable	564			1	11	13,080	4	160		
TOTAL ASSETS	\$ 13,215	\$ 89,652	\$ 1,185	\$ 3,521	\$ 49,820	\$ 30,028	\$ 10,825	\$ 2,740	\$ 1,710	\$ 734
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 154	\$ 2,731			\$ 23,052		\$ 52	\$ 192		
Interfund payables					2,249					
Settlements pending								323		
Total Liabilities	154	2,731			25,301		52	515		
Fund Balances:										
Reserved (Note 9)	13,061	86,921	\$ 1,185	\$ 3,521	24,519	\$ 30,028	10,773	2,225	\$ 1,710	\$ 734
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,215	\$ 89,652	\$ 1,185	\$ 3,521	\$ 49,820	\$ 30,028	\$ 10,825	\$ 2,740	\$ 1,710	\$ 734

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2009

Schedule 1

AGENCY FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Probation	Senior Citizens	Totals
ASSETS								
Cash and cash equivalents	\$ 3,277,267	\$ 65,868	\$ 145,233	\$ 4,941	\$ 104,717	\$ 2,912	\$ 3,458	\$ 12,442,005
Accounts receivable								618,829
TOTAL ASSETS	<u>\$ 3,277,267</u>	<u>\$ 65,868</u>	<u>\$ 145,233</u>	<u>\$ 4,941</u>	<u>\$ 104,717</u>	<u>\$ 2,912</u>	<u>\$ 3,458</u>	<u>\$ 13,060,834</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 132,443
Interfund payables								2,249
Settlements pending	\$ 3,277,267	\$ 65,868	\$ 145,233	\$ 4,941	\$ 104,717	\$ 2,912	\$ 3,458	3,604,719
Total Liabilities	<u>3,277,267</u>	<u>65,868</u>	<u>145,233</u>	<u>4,941</u>	<u>104,717</u>	<u>2,912</u>	<u>3,458</u>	<u>3,739,411</u>
Fund Balances:								
Reserved (Note 9)								9,321,423
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,277,267</u>	<u>\$ 65,868</u>	<u>\$ 145,233</u>	<u>\$ 4,941</u>	<u>\$ 104,717</u>	<u>\$ 2,912</u>	<u>\$ 3,458</u>	<u>\$ 13,060,834</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, 2009

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 Communications Facility and Equipment	Child Support Collection Costs	Juvenile Fees	Sheriff's Block Grant
REVENUES									
State aid		\$ 1,791	\$ 3,956						
Federal aid		10,748		\$ 65,937					
Property taxes									
Sales taxes		1,449,778		2,899,557					
Fines, forfeitures, and costs					\$ 142,023				
Interest	\$ 8,223	2,015		175,016	846	\$ 1,826	\$ 69	\$ 1	
Officers' fees	264,913					74,056	2,084	\$ 16,948	
Jail fees		688,713							
Emergency 911 fees									
Treasurer's commission									
Collector's commission									
Other	581	15,461		114,754		600			
TOTAL REVENUES	273,717	2,168,506	3,956	3,255,264	142,869	76,482	2,153	16,948	1
EXPENDITURES									
Current:									
General government	202,138			722,244					
Law enforcement		2,634,927				70,277			
Public safety			3,986						
Health									
Social services									
TOTAL EXPENDITURES	202,138	2,634,927	3,986	722,244		70,277			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	71,579	(466,421)	(30)	2,533,020	142,869	6,205	2,153	16,948	1
OTHER FINANCING SOURCES (USES)									
Transfers in		437,912							
Transfers out					(81,954)			(31)	
TOTAL OTHER FINANCING SOURCES (USES)		437,912			(81,954)			(31)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	71,579	(28,509)	(30)	2,533,020	60,915	6,205	2,153	(4,622)	(30)
FUND BALANCES - JANUARY 1	286,275	203,371	563	5,275,272	3,494	75,087	1,248	6,745	30
FUND BALANCES - DECEMBER 31	<u>\$ 357,854</u>	<u>\$ 174,862</u>	<u>\$ 533</u>	<u>\$ 7,808,292</u>	<u>\$ 64,409</u>	<u>\$ 81,292</u>	<u>\$ 3,401</u>	<u>\$ 2,123</u>	<u>\$ 0</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, 2009

Schedule 2

	SPECIAL REVENUE FUNDS								
	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
REVENUES									
State aid				\$ 60,603	\$ 148,006				
Federal aid					374,000				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 661	\$ 324	\$ 424	2	2,657	\$ 3,588	\$ 273	\$ 47	\$ 16
Officers' fees									816
Jail fees									
Emergency 911 fees						444,210			
Treasurer's commission									
Collector's commission									
Other	13,426		74		65,875	357			
TOTAL REVENUES	14,087	324	498	60,605	590,538	448,155	273	47	832
EXPENDITURES									
Current:									
General government				60,603					1,423
Law enforcement	16,518	1,892	6,176				8,831		
Public safety						379,159			
Health									
Social services					638,722				
TOTAL EXPENDITURES	16,518	1,892	6,176	60,603	638,722	379,159	8,831		1,423
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,431)	(1,568)	(5,678)	2	(48,184)	68,996	(8,558)	47	(591)
OTHER FINANCING SOURCES (USES)									
Transfers in					74,500				
Transfers out				(94)					
TOTAL OTHER FINANCING SOURCES (USES)				(94)	74,500				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,431)	(1,568)	(5,678)	(92)	26,316	68,996	(8,558)	47	(591)
FUND BALANCES - JANUARY 1	32,638	12,246	19,866	92	149,865	181,330	14,624	1,837	956
FUND BALANCES - DECEMBER 31	<u>\$ 30,207</u>	<u>\$ 10,678</u>	<u>\$ 14,188</u>	<u>\$ 0</u>	<u>\$ 176,181</u>	<u>\$ 250,326</u>	<u>\$ 6,066</u>	<u>\$ 1,884</u>	<u>\$ 365</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, 2009

Schedule 2

	SPECIAL REVENUE FUNDS								
	Court Automation	Collector's Automation	County Clerk's Automation	Juvenile Detention	Pandemic Grant	West Nile Virus	Treasurer's Automation	Homeland Security Grants	Game Protection
REVENUES									
State aid									\$ 13,080
Federal aid				\$ 201,708					
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 10,162								
Interest	1,380	\$ 1,138	\$ 435	79		\$ 86	\$ 854		407
Officers' fees			6,612						
Jail fees									
Emergency 911 fees									
Treasurer's commission							35,774		
Collector's commission		65,071							
Other									
TOTAL REVENUES	<u>11,542</u>	<u>66,209</u>	<u>7,047</u>	<u>201,787</u>		<u>86</u>	<u>36,628</u>		<u>13,487</u>
EXPENDITURES									
Current:									
General government		30,757	9,643				42,192		
Law enforcement	5,106			131,679					
Public safety									
Health									
Social services									
TOTAL EXPENDITURES	<u>5,106</u>	<u>30,757</u>	<u>9,643</u>	<u>131,679</u>			<u>42,192</u>		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,436</u>	<u>35,452</u>	<u>(2,596)</u>	<u>70,108</u>		<u>86</u>	<u>(5,564)</u>		<u>13,487</u>
OTHER FINANCING SOURCES (USES)									
Transfers in				16,891					
Transfers out				(40)				\$ (4,492)	
TOTAL OTHER FINANCING SOURCES (USES)				<u>16,851</u>				<u>(4,492)</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,436	35,452	(2,596)	86,959		86	(5,564)	(4,492)	13,487
FUND BALANCES - JANUARY 1	52,802	69,395	15,657	(38)	\$ 1,185	3,435	30,083	4,492	16,541
FUND BALANCES - DECEMBER 31	<u>\$ 59,238</u>	<u>\$ 104,847</u>	<u>\$ 13,061</u>	<u>\$ 86,921</u>	<u>\$ 1,185</u>	<u>\$ 3,521</u>	<u>\$ 24,519</u>	<u>\$ 0</u>	<u>\$ 30,028</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, 2009

Schedule 2

	SPECIAL REVENUE FUNDS				Totals
	Assessor's Amendment no. 79	County Hospital	Department of Health and Human Services Grant	Courthouse Security Grant	
REVENUES					
State aid	\$ 13,457	\$ 16,852			\$ 257,745
Federal aid					652,393
Property taxes		152,132			152,132
Sales taxes					4,349,335
Fines, forfeitures, and costs					152,185
Interest	287	30,698			231,352
Officers' fees					365,429
Jail fees					688,713
Emergency 911 fees					444,210
Treasurer's commission					35,774
Collector's commission					65,071
Other					211,128
TOTAL REVENUES	13,744	199,682			7,605,467
EXPENDITURES					
Current:					
General government	12,151				1,081,151
Law enforcement					2,875,406
Public safety					383,145
Health		2,507,016			2,507,016
Social services					638,722
TOTAL EXPENDITURES	12,151	2,507,016			7,485,440
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,593	(2,307,334)			120,027
OTHER FINANCING SOURCES (USES)					
Transfers in					529,303
Transfers out					(108,181)
TOTAL OTHER FINANCING SOURCES (USES)					421,122
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,593	(2,307,334)			541,149
FUND BALANCES - JANUARY 1	9,180	2,309,559	\$ 1,710	\$ 734	8,780,274
FUND BALANCES - DECEMBER 31	\$ 10,773	\$ 2,225	\$ 1,710	\$ 734	\$ 9,321,423

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2009

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 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) provided 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) provided for the levy of a one-half percent sales tax 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, including construction and maintenance of the county jail.
Sheriff's Communications 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.
Sheriff's Block Grant	A federal block grant received for law enforcement purposes.
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	State grant received from the Arkansas Historic Preservation Program to be used to maintain the Historical Osceola Courthouse.
Senior Citizens	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.
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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2009

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

Fund Name	Fund Description
County Clerk's Marriage License	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for county clerk cost.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive 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 ten percent 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	State grant received from Arkansas Department of Finance and Administration to supplement juvenile detention facilities operations.
Pandemic Grant	A federal grant received to prepare for the flu pandemic.
West Nile Virus	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 ten percent 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	Federal grants received from the Department of Homeland Security 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 (1%) 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.
County Hospital	Mississippi County Ordinance no. 2006-12 (November 28, 2006) established a four mill real and personal property tax for hospital purposes.
Department of Health and Human Services Grant	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 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.

Circuit Clerk's accounts consist of trust money and settlements 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, 2009
(Unaudited)

Schedule 3

	<u>December 31, 2009</u>
Land	\$ 2,857,018
Buildings	18,303,159
Equipment	<u>8,219,302</u>
Total	<u><u>\$ 29,379,479</u></u>

MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2009
(Unaudited)

Schedule 4

<u>General</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Assets	\$ 4,390,578	\$ 8,571,262	\$ 6,694,932	\$ 4,459,854	\$ 5,155,359
Total Liabilities	339,213	95,525			
Total Fund Balances	4,051,365	8,475,737	6,694,932	4,459,854	5,155,359
Net Revenues	9,269,651	9,609,962	9,503,541	8,217,635	9,507,377
Total Expenditures	13,522,901	7,868,339	7,344,159	6,773,786	6,145,016
<u>Road</u>					
Total Assets	\$ 2,117,729	\$ 2,254,556	\$ 2,098,849	\$ 1,534,373	\$ 1,486,554
Total Liabilities	94,157	244,949			
Total Fund Balances	2,023,572	2,009,607	2,098,849	1,534,373	1,486,554
Net Revenues	2,106,181	2,382,618	2,226,659	2,061,722	1,979,234
Total Expenditures	2,092,216	2,493,040	1,662,183	2,013,903	2,155,976
<u>Other Funds in the Aggregate</u>					
Total Assets	\$ 13,060,834	\$ 12,224,318	\$ 10,046,893	\$ 12,737,139	\$ 16,083,618
Total Liabilities	3,739,411	3,444,044	3,632,132	6,961,911	12,021,142
Total Fund Balances	9,321,423	8,780,274	6,414,761	5,775,228	4,062,476
Net Revenues	7,605,467	9,194,481	7,308,761	6,817,064	5,979,094
Total Expenditures	7,485,440	8,026,896	7,312,742	7,936,271	6,414,990

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