

**Mississippi County, Arkansas**  
**Regulatory Basis Financial Statements**  
**and Other Reports**

**December 31, 2008**

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS  
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**Sen. Bobby L. Glover**  
Senate Co-Chair  
**Rep. Johnny Hoyt**  
House Co-Chair  
**Sen. Bill Pritchard**  
Senate Co-Vice Chair  
**Rep. Beverly Pyle**  
House Co-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, 2008, 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, 2008, 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 Fund has 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 Fund 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).

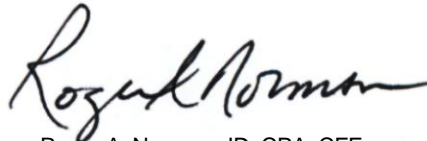
In our opinion, because of the effects on the financial statements of the omissions described in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective regulatory basis financial position of the other funds in the aggregate of Mississippi County, Arkansas, as of December 31, 2008, 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, 2008, 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 May 17, 2010 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 that reads "Roger A. Norman". The signature is written in a cursive, flowing style.

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

Little Rock, Arkansas  
May 17, 2010  
LOCO04708

**Sen. Bobby L. Glover**  
Senate Co-Chair  
**Rep. Johnny Hoyt**  
House Co-Chair  
**Sen. Bill Pritchard**  
Senate Co-Vice Chair  
**Rep. Beverly Pyle**  
House Co-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, 2008, and have issued our report thereon dated May 17, 2010. 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 opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit risks. Our opinion on other funds in the aggregate was adverse for not including the Mississippi County Library Fund which is material to other funds in the aggregate. 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting as prescribed or permitted by Arkansas Code such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting:

2008-1 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above as item 2008-1 to be a material weakness.

#### 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, 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 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 2008:

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

Our audit procedures indicated that the offices of **County Judge, Tax Collector, Circuit Clerk, and County 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 **Treasurer** and **Sheriff**.

#### **Treasurer**

The Treasurer's recap of revenues again was not adequately reconciled to the summary of account balances as required by Ark. Code Ann. § 14-21-101.

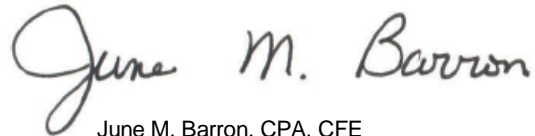
#### **Sheriff**

The following information systems control weaknesses were discovered during a review of the Sheriff's computer system for the year ending December 31, 2008:

Password controls did not meet minimum standards. Passwords were not required to be changed on a periodic, recurring basis, not to exceed 90 days. Minimum number of characters required in passwords was below industry standards. Passwords were not required to contain a mixture of alpha and numeric characters. User accounts were not locked out after three unsuccessful logon attempts. Password history file was not maintained to prevent re-use of previous passwords. Failure to establish proper password controls increases the likelihood that an unauthorized person could gain access to the system.

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 Arkansas Code Annotated § 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

A handwritten signature in black ink that reads "June M. Barron". The signature is written in a cursive style with a large initial "J" and "B".

June M. Barron, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
May 17, 2010

MISSISSIPPI COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2008

Exhibit A

	General	Road	Other Funds In The Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,893,374	\$ 2,143,178	\$ 11,659,758
Accounts receivable	677,888	111,378	564,560
<b>TOTAL ASSETS</b>	<b>\$ 8,571,262</b>	<b>\$ 2,254,556</b>	<b>\$ 12,224,318</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 95,525	\$ 244,949	\$ 127,313
Settlements pending			3,316,731
Total Liabilities	95,525	244,949	3,444,044
Fund Balances:			
Reserved (Note 7)		2,009,607	8,780,274
Unreserved:			
Designated (Note 9)	3,732,754		
Undesignated	4,742,983		
Total Fund Balances	8,475,737	2,009,607	8,780,274
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,571,262</b>	<b>\$ 2,254,556</b>	<b>\$ 12,224,318</b>

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, 2008

Exhibit B

	General	Road	Other Funds In The Aggregate
REVENUES			
State aid	\$ 545,521	\$ 1,433,316	\$ 313,699
Federal aid	15,842	132,543	1,547,786
Property taxes	1,228,962	627,946	161,103
Sales taxes	2,302,121		5,252,823
Fines, forfeitures and costs	931,662		76,998
Interest	281,800	90,022	286,055
Officers' fees	240,849		388,186
Jail fees			367,243
Emergency 911 fees			365,539
Landfill fees	2,827,783		
Treasurer's commission	150,494		39,088
Collector's commission	288,747		66,390
Taxes apportioned - Assessor's salary and expense	563,608		
Other	327,806	126,523	329,571
 TOTAL REVENUES	 9,705,195	 2,410,350	 9,194,481
 Less: Treasurer's commission	 95,233	 27,732	
 NET REVENUES	 9,609,962	 2,382,618	 9,194,481

MISSISSIPPI COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds In The Aggregate</u>
EXPENDITURES			
Current:			
General government	\$ 2,800,631		\$ 3,651,041
Law enforcement	2,563,760		3,073,864
Highways and streets		\$ 2,302,563	
Public safety	25,770		542,028
Sanitation	2,077,578		
Health	90,477		91,393
Social services	115,369		668,570
Total Current	<u>7,673,585</u>	<u>2,302,563</u>	<u>8,026,896</u>
Debt Service:			
Lease principal		129,074	
Lease interest		9,345	
Note payable - principal	173,747	51,434	
Note payable - interest	<u>21,007</u>	<u>624</u>	
TOTAL EXPENDITURES	<u>7,868,339</u>	<u>2,493,040</u>	<u>8,026,896</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,741,623</u>	<u>(110,422)</u>	<u>1,167,585</u>

MISSISSIPPI COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds In The Aggregate</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 34,025		\$ 818,070
Transfers out	(760,045)		(92,050)
Note proceeds	<u>419,746</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(306,274)</u>		<u>726,020</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,435,349	\$ (110,422)	1,893,605
FUND BALANCES - JANUARY 1	<u>7,040,388</u>	<u>2,120,029</u>	<u>6,886,669</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 8,475,737</u></u>	<u><u>\$ 2,009,607</u></u>	<u><u>\$ 8,780,274</u></u>

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

MISSISSIPPI COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 549,491	\$ 545,521	\$ (3,970)	\$ 1,367,237	\$ 1,433,316	\$ 66,079
Federal aid		15,842	15,842	132,543	132,543	
Property taxes	923,804	1,228,962	305,158	661,292	627,946	(33,346)
Sales taxes	2,279,883	2,302,121	22,238			
Fines, forfeitures and costs	939,694	931,662	(8,032)			
Interest	37,762	281,800	244,038	31,342	90,022	58,680
Officers' fees	246,095	240,849	(5,246)			
Landfill fees	2,680,651	2,827,783	147,132			
Treasurer's commission	252,871	150,494	(102,377)	30,214		(30,214)
Collector's commission	319,949	288,747	(31,202)			
Taxes apportioned - Assessor's salary and expense	543,074	563,608	20,534			
Other	920,758	327,806	(592,952)	126,675	126,523	(152)
<b>TOTAL REVENUES</b>	<b>9,694,032</b>	<b>9,705,195</b>	<b>11,163</b>	<b>2,349,303</b>	<b>2,410,350</b>	<b>61,047</b>
Less: Treasurer's commission		95,233	(95,233)		27,732	(27,732)
<b>NET REVENUES</b>	<b>9,694,032</b>	<b>9,609,962</b>	<b>(84,070)</b>	<b>2,349,303</b>	<b>2,382,618</b>	<b>33,315</b>

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, 2008

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES						
Current:						
General government	\$ 2,819,365	\$ 2,800,631	\$ 18,734			
Law enforcement	2,576,739	2,563,760	12,979			
Highways and streets				\$ 2,319,740	\$ 2,302,563	\$ 17,177
Public safety	25,770	25,770				
Sanitation	2,367,675	2,077,578	290,097			
Health	91,363	90,477	886			
Social services	80,028	115,369	(35,341)			
Total Current	<u>7,960,940</u>	<u>7,673,585</u>	<u>287,355</u>	<u>2,319,740</u>	<u>2,302,563</u>	<u>17,177</u>
Debt Service:						
Lease principal					129,074	(129,074)
Lease interest					9,345	(9,345)
Note payable - principal		173,747	(173,747)		51,434	(51,434)
Note payable - interest		21,007	(21,007)		624	(624)
TOTAL EXPENDITURES	<u>7,960,940</u>	<u>7,868,339</u>	<u>92,601</u>	<u>2,319,740</u>	<u>2,493,040</u>	<u>(173,300)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,733,092</u>	<u>1,741,623</u>	<u>8,531</u>	<u>29,563</u>	<u>(110,422)</u>	<u>(139,985)</u>

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, 2008

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)						
Transfers in		\$ 34,025	\$ 34,025			
Transfers out	\$ (810,045)	(760,045)	50,000			
Note proceeds		419,746	419,746			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(810,045)</b>	<b>(306,274)</b>	<b>503,771</b>			
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>923,047</b>	<b>1,435,349</b>	<b>512,302</b>	<b>\$ 29,563</b>	<b>\$ (110,422)</b>	<b>\$ (139,985)</b>
FUND BALANCES - JANUARY 1		7,040,388	7,040,388		2,120,029	2,120,029
FUND BALANCES - DECEMBER 31	<u>\$ 923,047</u>	<u>\$ 8,475,737</u>	<u>\$ 7,552,690</u>	<u>\$ 29,563</u>	<u>\$ 2,009,607</u>	<u>\$ 1,980,044</u>

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

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**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 fund of the County is not presented in this report: Mississippi County Library.

**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 fund; 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: County Treasurer - Judicial Enhancement, State Treasurer (Acts 65 and 431), Common School, Mississippi County Right-of-Way, Collector's Interest, Birdsong Fire Department, Blytheville Law Library, State Land Sales, Arkansas Highway Department, Administration of Justice, Investment and Savings Account Interest, Osceola Law Library, Cash Bond, Schools, Treasurer's Interest, Treasurer's Commission, Liability Insurance and Treasurer's Change; Tax Collector - Current Tax, Delinquent Real Estate Tax, Delinquent Personal Tax, and Change; Sheriff - Bond and Fee, Commissary, Petty Cash, and Change; County Clerk - Fee, Trust, and Change; Circuit Clerk - Fee, Trust, and Change; Juvenile Probation, and Senior Citizens.

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**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 sixty (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, 2008

**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, 2008 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 81,577	\$ 100,629	\$ 17,232
Federal aid			15,046
Property taxes	74,436		107
Taxes apportioned - Assessor's salary and expense	19,575		
Sales taxes	169,623		258,018
Fines, forfeitures and costs	37,745		3,189
Interest	4,059	1,599	6,668
Jail fees			162,862
Emergency 911 fees			43,552
Officers' fees	8,648		34,647
Landfill fees	256,587		
Other	25,638	9,150	23,239
Totals	<u>\$ 677,888</u>	<u>\$ 111,378</u>	<u>\$ 564,560</u>

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2008 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 95,525</u>	<u>\$ 244,949</u>	<u>\$ 127,313</u>

**NOTE 6: Legal Debt Limit**

A. Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to ten percent (10%) of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2008, the legal debt limit for bonded debt was \$42,893,771. 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 two and one half percent (2.5%) of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2008, the legal debt limit for short-term financing obligations was \$11,747,879. The amount of short-term financing obligations was \$727,911 leaving a legal debt margin of \$11,019,968.

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 7: Reserved Fund Balance**

Reserved fund balance consists of the following:

	December 31, 2008
<u>Road</u>	\$ 2,009,607
<u>Other Funds in the Aggregate</u>	
Special Revenue Funds:	
County Recorder's Cost	\$ 286,275
County Jail Sales Tax	203,371
Boating Safety (Act 122)	563
Economic Development	5,275,272
Detention Center (Act 1188)	3,494
Sheriff's Communications Facility and Equipment	75,087
Child Support Collection Costs	1,249
Juvenile Fees	6,745
Sheriff's Block Grant	30
Sheriff's Commissary	32,638
Sheriff's Firing Range	12,246
Sheriff's Helicopter	19,866
Historical Preservation Grant	92
Senior Citizens	149,864
Emergency 911	181,330
Drug Task Force	14,624
Local Emergency Response Grant	1,837
County Clerk's Marriage License	956
Court Automation	52,802
Collector's Automation	69,395
County Clerk's Automation	15,657
Juvenile Detention	(38)
Pandemic Grant	1,185
West Nile Virus	3,435
Treasurer's Automation	30,083
Homeland Security Grants	4,492
Game Protection	16,541
Assessor's Amendment No. 79	9,180
County Hospital	2,309,559
Department of Health and Human Services Grant	1,710
Courthouse Security Grant	734
Total Other Funds in the Aggregate	\$ 8,780,274

**NOTE 8: Deficit Fund Balance**

The following fund has a deficit fund balance as of December 31, 2008:

	December 31, 2008
Juvenile Detention	\$ (38)

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 9: General Fund - Designated Fund Balance**

General Fund designated fund balance consists of the following:

Description	December 31, 2008
Hospital Maintenance and Operations	\$ 2,358,075
Landfill closure and postclosure care costs	627,880
Employee Insurance	746,799
Total	\$ 3,732,754

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2008:

	December 31, 2008
Long-Term Debt	\$ 2,628,555

Long-Term Debt

Long-Term Debt at December 31, 2008 is comprised of the following:

	December 31, 2008
Compensated Absences	\$ 269,535
Estimated liability for landfill closure and postclosure care costs	1,631,109
Note payable entered on March 27, 2006 with First National Bank of Blytheville for the purchase of an 850K Case dozer; interest at 4.50%; monthly installments of \$2,843 for 60 months. Payments are to be made from the General Fund.	8,399
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.	217,686
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.	368,162
Lease-purchase agreement entered on March 13, 2006 with First Continental Leasing for the purchase of two 2007 Mack Trucks; interest at 3.50%; three annual installments of \$69,209, beginning in 2007. Payments are to be made from the Road Fund.	66,832

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 10: Commitments (Continued)**

Long-Term Debt (Continued)

	December 31, 2008
Lease-purchase agreement entered on May 4, 2006 with First Continental Leasing for the purchase of two 2007 Mack Trucks; interest at 3.50%; three annual installments of \$69,209, beginning in 2007. Payments are to be made from the Road Fund.	\$ 66,832
Total Long-Term Debt	\$ 2,628,555

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

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 \$1,631,109 of as of December 31, 2008, which is based on 43 percent use of the class one landfill and 119 percent use of the class four landfill's capacity. It was recommended that the County close the Class 4 landfill and install a final cover system over the entire area due to no more permitted capacity remaining. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,304,175 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. 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 \$175,300 has been issued. To date, \$177,880 in interest has been added to the \$450,000 that has been set aside by the County for a total designated fund balance of \$627,880 in the General Fund.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2008:

Years Ending December 31,	Notes	Leases	Total
2009	\$ 193,113	\$ 138,419	\$ 331,532
2010	184,584		184,584
2011	138,651		138,651
2012	92,717		92,717
2013	30,905		30,905
Total Obligations	639,970	138,419	778,389
Less Interest	45,723	4,755	50,478
Total Principal	\$ 594,247	\$ 133,664	\$ 727,911

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 11: Interfund Transfers**

The General Fund transferred \$760,045 to the Other Funds in the Aggregate for operations. The Other Funds in the Aggregate transferred \$34,025 to the General Fund and \$58,025 within the Other Funds in the Aggregate for reimbursement purposes.

**NOTE 12: 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 2008.

**NOTE 13: Risk Management**

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

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

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

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$500,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

MISSISSIPPI COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**NOTE 13: Risk Management (Continued)**

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$250,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$1,000 deductible per occurrence.

**NOTE 12: 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, 2008

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 s Facility and Equipment	Child Support Collection Costs	Juvenile Fees	Sheriff's Block Grant
ASSETS									
Cash and cash equivalents	\$ 264,380	\$ 91,456		\$ 5,043,671	\$ 970	\$ 64,414	\$ 1,247	\$ 5,295	\$ 30
Accounts receivable	22,069	167,041	\$ 563.00	262,486	2,698	11,162	2	1,450	
<b>TOTAL ASSETS</b>	<b><u>\$ 286,449</u></b>	<b><u>\$ 258,497</u></b>	<b><u>\$ 563</u></b>	<b><u>\$ 5,306,157</u></b>	<b><u>\$ 3,668</u></b>	<b><u>\$ 75,576</u></b>	<b><u>\$ 1,249</u></b>	<b><u>\$ 6,745</u></b>	<b><u>\$ 30</u></b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 174	\$ 55,126		\$ 30,885	\$ 174	\$ 489			
Settlements pending									
Total Liabilities	<u>174</u>	<u>55,126</u>		<u>30,885</u>	<u>174</u>	<u>489</u>			
Fund Balances:									
Reserved (Note 7)	<u>286,275</u>	<u>203,371</u>	<u>\$ 563</u>	<u>5,275,272</u>	<u>3,494</u>	<u>75,087</u>	<u>\$ 1,249</u>	<u>\$ 6,745</u>	<u>\$ 30</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 286,449</u></b>	<b><u>\$ 258,497</u></b>	<b><u>\$ 563</u></b>	<b><u>\$ 5,306,157</u></b>	<b><u>\$ 3,668</u></b>	<b><u>\$ 75,576</u></b>	<b><u>\$ 1,249</u></b>	<b><u>\$ 6,745</u></b>	<b><u>\$ 30</u></b>

MISSISSIPPI COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2008

Schedule 1

	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
ASSETS									
Cash and cash equivalents	\$ 16,229	\$ 12,705	\$ 19,834	\$ 92	\$ 128,689	\$ 144,705	\$ 14,647	\$ 1,834	\$ 891
Accounts receivable	16,409	21	32		34,624	43,823	23	3	65
<b>TOTAL ASSETS</b>	<b><u>\$ 32,638</u></b>	<b><u>\$ 12,726</u></b>	<b><u>\$ 19,866</u></b>	<b><u>\$ 92</u></b>	<b><u>\$ 163,313</u></b>	<b><u>\$ 188,528</u></b>	<b><u>\$ 14,670</u></b>	<b><u>\$ 1,837</u></b>	<b><u>\$ 956</u></b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 480			\$ 13,449	\$ 7,198	\$ 46		
Settlements pending									
Total Liabilities		<u>480</u>			<u>13,449</u>	<u>7,198</u>	<u>46</u>		
Fund Balances:									
Reserved (Note 7)	\$ 32,638	12,246	\$ 19,866	\$ 92	149,864	181,330	14,624	\$ 1,837	\$ 956
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 32,638</u></b>	<b><u>\$ 12,726</u></b>	<b><u>\$ 19,866</u></b>	<b><u>\$ 92</u></b>	<b><u>\$ 163,313</u></b>	<b><u>\$ 188,528</u></b>	<b><u>\$ 14,670</u></b>	<b><u>\$ 1,837</u></b>	<b><u>\$ 956</u></b>



MISSISSIPPI COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2008

Schedule 1

	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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 52,244	\$ 70,646	\$ 15,142	\$ 16,087	\$ 1,185	\$ 3,429	\$ 31,600	\$ 4,492
Accounts receivable	585	115	515	14		6	51	
<b>TOTAL ASSETS</b>	<b><u>\$ 52,829</u></b>	<b><u>\$ 70,761</u></b>	<b><u>\$ 15,657</u></b>	<b><u>\$ 16,101</u></b>	<b><u>\$ 1,185</u></b>	<b><u>\$ 3,435</u></b>	<b><u>\$ 31,651</u></b>	<b><u>\$ 4,492</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 27	\$ 1,366		\$ 16,139			\$ 1,568	
Settlements pending								
<b>Total Liabilities</b>	<b><u>27</u></b>	<b><u>1,366</u></b>		<b><u>16,139</u></b>			<b><u>1,568</u></b>	
<b>Fund Balances:</b>								
Reserved (Note 7)	<u>52,802</u>	<u>69,395</u>	<u>\$ 15,657</u>	<u>(38)</u>	<u>\$ 1,185</u>	<u>\$ 3,435</u>	<u>30,083</u>	<u>\$ 4,492</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 52,829</u></b>	<b><u>\$ 70,761</u></b>	<b><u>\$ 15,657</u></b>	<b><u>\$ 16,101</u></b>	<b><u>\$ 1,185</u></b>	<b><u>\$ 3,435</u></b>	<b><u>\$ 31,651</u></b>	<b><u>\$ 4,492</u></b>

MISSISSIPPI COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2008

Schedule 1

	SPECIAL REVENUE FUNDS				
	Game Protection	Assessor's Amendment No. 79	County Hospital	Department of Health and Human Services Grant	Courthouse Security Grant
ASSETS					
Cash and cash equivalents	\$ 16,514	\$ 9,151	\$ 2,309,004	\$ 1,710	\$ 734
Accounts receivable	27	29	747		
	<u>\$ 16,541</u>	<u>\$ 9,180</u>	<u>\$ 2,309,751</u>	<u>\$ 1,710</u>	<u>\$ 734</u>
TOTAL ASSETS					
	<u>\$ 16,541</u>	<u>\$ 9,180</u>	<u>\$ 2,309,751</u>	<u>\$ 1,710</u>	<u>\$ 734</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable			\$ 192		
Settlements pending					
Total Liabilities			<u>192</u>		
Fund Balances:					
Reserved (Note 7)	\$ 16,541	\$ 9,180	2,309,559	\$ 1,710	\$ 734
	<u>\$ 16,541</u>	<u>\$ 9,180</u>	<u>\$ 2,309,751</u>	<u>\$ 1,710</u>	<u>\$ 734</u>
TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$ 16,541</u>	<u>\$ 9,180</u>	<u>\$ 2,309,751</u>	<u>\$ 1,710</u>	<u>\$ 734</u>

MISSISSIPPI COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2008

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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,003,957	\$ 48,344	\$ 166,928	\$ 4,319	\$ 85,958	\$ 4,398	\$ 2,827	\$ 11,659,758
Accounts receivable								564,560
<b>TOTAL ASSETS</b>	<b><u>\$ 3,003,957</u></b>	<b><u>\$ 48,344</u></b>	<b><u>\$ 166,928</u></b>	<b><u>\$ 4,319</u></b>	<b><u>\$ 85,958</u></b>	<b><u>\$ 4,398</u></b>	<b><u>\$ 2,827</u></b>	<b><u>\$ 12,224,318</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable								\$ 127,313
Settlements pending	\$ 3,003,957	\$ 48,344	\$ 166,928	\$ 4,319	\$ 85,958	\$ 4,398	2,827	3,316,731
<b>Total Liabilities</b>	<b><u>3,003,957</u></b>	<b><u>48,344</u></b>	<b><u>166,928</u></b>	<b><u>4,319</u></b>	<b><u>85,958</u></b>	<b><u>4,398</u></b>	<b><u>2,827</u></b>	<b><u>3,444,044</u></b>
<b>Fund Balances:</b>								
Reserved (Note 7)								<u>8,780,274</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 3,003,957</u></b>	<b><u>\$ 48,344</u></b>	<b><u>\$ 166,928</u></b>	<b><u>\$ 4,319</u></b>	<b><u>\$ 85,958</u></b>	<b><u>\$ 4,398</u></b>	<b><u>\$ 2,827</u></b>	<b><u>\$ 12,224,318</u></b>

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, 2008

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			\$ 4,055						
Federal aid				\$ 936,063					
Property taxes									
Sales taxes		\$ 1,750,941		3,501,882					
Fines, forfeitures and costs					\$ 58,432				
Interest	\$ 6,177	1,621	8	155,556	719	\$ 1,756	\$ 19	\$ 319	
Officers' fees	286,759					80,399	2,806	\$ 10,693	
Jail fees		367,243							
Emergency 911 fees									
Treasurer's commission									
Collector's commission									
Other		15,304		223,174				115	
<b>TOTAL REVENUES</b>	<b>292,936</b>	<b>2,135,109</b>	<b>4,063</b>	<b>4,816,675</b>	<b>59,151</b>	<b>82,155</b>	<b>2,825</b>	<b>10,808</b>	<b>319</b>

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, 2008

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
EXPENDITURES									
Current:									
General government	\$ 154,455			\$ 3,384,191					
Law enforcement		\$ 2,839,241				\$ 67,960			
Public safety			\$ 4,042						
Health									
Social services									
TOTAL EXPENDITURES	<u>154,455</u>	<u>2,839,241</u>	<u>4,042</u>	<u>3,384,191</u>		<u>67,960</u>			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>138,481</u>	<u>(704,132)</u>	<u>21</u>	<u>1,432,484</u>	<u>\$ 59,151</u>	<u>14,195</u>	<u>\$ 2,825</u>	<u>\$ 10,808</u>	<u>\$ 319</u>
OTHER FINANCING SOURCES (USES)									
Transfers in		765,501							
Transfers out					<u>(58,025)</u>		<u>(1,614)</u>	<u>(4,843)</u>	<u>(11,242)</u>
TOTAL OTHER FINANCING SOURCES (USES)		<u>765,501</u>			<u>(58,025)</u>		<u>(1,614)</u>	<u>(4,843)</u>	<u>(11,242)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	138,481	61,369	21	1,432,484	1,126	14,195	1,211	5,965	(10,923)
FUND BALANCES - JANUARY 1	<u>147,794</u>	<u>142,002</u>	<u>542</u>	<u>3,842,788</u>	<u>2,368</u>	<u>60,892</u>	<u>38</u>	<u>780</u>	<u>10,953</u>
FUND BALANCES - DECEMBER 31	<u>\$ 286,275</u>	<u>\$ 203,371</u>	<u>\$ 563</u>	<u>\$ 5,275,272</u>	<u>\$ 3,494</u>	<u>\$ 75,087</u>	<u>\$ 1,249</u>	<u>\$ 6,745</u>	<u>\$ 30</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, 2008

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				\$ 5,397	\$ 195,534				
Federal aid					393,172				
Property taxes									
Sales taxes									
Fines, forfeitures and costs							\$ 8,808		
Interest	\$ 589	\$ 569	\$ 817	3	3,606	\$ 4,694	276	\$ 52	\$ 24
Officers' fees									866
Jail fees									
Emergency 911 fees						365,539			
Treasurer's commission									
Collector's commission									
Other	25,474	455	2,500		30,409		1,226		
<b>TOTAL REVENUES</b>	<b>26,063</b>	<b>1,024</b>	<b>3,317</b>	<b>5,400</b>	<b>622,721</b>	<b>370,233</b>	<b>10,310</b>	<b>52</b>	<b>890</b>

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, 2008

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
EXPENDITURES									
Current:									
General government				\$ 5,398					\$ 943
Law enforcement	\$ 16,318	\$ 9,607	\$ 17,448				\$ 8,618		
Public safety						\$ 319,435			
Health									
Social services					\$ 668,570				
TOTAL EXPENDITURES	<u>16,318</u>	<u>9,607</u>	<u>17,448</u>	<u>5,398</u>	<u>668,570</u>	<u>319,435</u>	<u>8,618</u>		<u>943</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,745</u>	<u>(8,583)</u>	<u>(14,131)</u>	<u>2</u>	<u>(45,849)</u>	<u>50,798</u>	<u>1,692</u>	<u>\$ 52</u>	<u>(53)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in					51,933				
Transfers out					<u>51,933</u>				
TOTAL OTHER FINANCING SOURCES (USES)					<u>51,933</u>				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,745	(8,583)	(14,131)	2	6,084	50,798	1,692	52	(53)
FUND BALANCES - JANUARY 1	<u>22,893</u>	<u>20,829</u>	<u>33,997</u>	<u>90</u>	<u>143,780</u>	<u>130,532</u>	<u>12,932</u>	<u>1,785</u>	<u>1,009</u>
FUND BALANCES - DECEMBER 31	<u>\$ 32,638</u>	<u>\$ 12,246</u>	<u>\$ 19,866</u>	<u>\$ 92</u>	<u>\$ 149,864</u>	<u>\$ 181,330</u>	<u>\$ 14,624</u>	<u>\$ 1,837</u>	<u>\$ 956</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, 2008

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
REVENUES								
State aid				\$ 58,970				
Federal aid								\$ 218,551
Property taxes								
Sales taxes								
Fines, forfeitures and costs	\$ 9,758							
Interest	1,462	\$ 1,292	\$ 514	608		\$ 100	\$ 515	
Officers' fees			6,663					
Jail fees								
Emergency 911 fees								
Treasurer's commission							39,088	
Collector's commission		66,390						
Other				3,494				
<b>TOTAL REVENUES</b>	<b>11,220</b>	<b>67,682</b>	<b>7,177</b>	<b>63,072</b>		<b>100</b>	<b>39,603</b>	<b>218,551</b>



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, 2008

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
EXPENDITURES								
Current:								
General government		\$ 72,096	\$ 6,986				\$ 19,480	
Law enforcement	\$ 2,696			\$ 111,976				
Public safety								\$ 218,551
Health								
Social services								
TOTAL EXPENDITURES	<u>2,696</u>	<u>72,096</u>	<u>6,986</u>	<u>111,976</u>			<u>19,480</u>	<u>218,551</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,524</u>	<u>(4,414)</u>	<u>191</u>	<u>(48,904)</u>		<u>\$ 100</u>	<u>20,123</u>	
OTHER FINANCING SOURCES (USES)								
Transfers in				636				
Transfers out				<u>(16,326)</u>				
TOTAL OTHER FINANCING SOURCES (USES)				<u>(15,690)</u>				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	8,524	(4,414)	191	(64,594)		100	20,123	
FUND BALANCES - JANUARY 1	<u>44,278</u>	<u>73,809</u>	<u>15,466</u>	<u>64,556</u>	<u>\$ 1,185</u>	<u>3,335</u>	<u>9,960</u>	<u>4,492</u>
FUND BALANCES - DECEMBER 31	<u>\$ 52,802</u>	<u>\$ 69,395</u>	<u>\$ 15,657</u>	<u>\$ (38)</u>	<u>\$ 1,185</u>	<u>\$ 3,435</u>	<u>\$ 30,083</u>	<u>\$ 4,492</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, 2008

Schedule 2

SPECIAL REVENUE FUNDS						
	Game Protection	Assessor's Amendment No. 79	County Hospital	Department of Health and Human Services Grant	Courthouse Security Grant	Totals
REVENUES						
State aid	\$ 6,420	\$ 13,662	\$ 24,618	\$ 1,710	\$ 3,333	\$ 313,699
Federal aid						1,547,786
Property taxes			161,103			161,103
Sales taxes						5,252,823
Fines, forfeitures and costs						76,998
Interest	304	395	104,060			286,055
Officers' fees						388,186
Jail fees						367,243
Emergency 911 fees						365,539
Treasurer's commission						39,088
Collector's commission						66,390
Other			27,420			329,571
	<u>6,724</u>	<u>14,057</u>	<u>317,201</u>	<u>1,710</u>	<u>3,333</u>	<u>9,194,481</u>
TOTAL REVENUES						

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, 2008

Schedule 2

	SPECIAL REVENUE FUNDS					Totals
	Game Protection	Assessor's Amendment No. 79	County Hospital	Department of Health and Human Services Grant	Courthouse Security Grant	
EXPENDITURES						
Current:						
General government		\$ 4,893			\$ 2,599	\$ 3,651,041
Law enforcement						3,073,864
Public safety						542,028
Health			\$ 91,393			91,393
Social services						668,570
TOTAL EXPENDITURES		4,893	91,393		2,599	8,026,896
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,724	9,164	225,808	\$ 1,710	734	1,167,585
OTHER FINANCING SOURCES (USES)						
Transfers in						818,070
Transfers out						(92,050)
TOTAL OTHER FINANCING SOURCES (USES)						726,020
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,724	9,164	225,808	1,710	734	1,893,605
FUND BALANCES - JANUARY 1	9,817	16	2,083,751			6,886,669
FUND BALANCES - DECEMBER 31	\$ 16,541	\$ 9,180	\$ 2,309,559	\$ 1,710	\$ 734	\$ 8,780,274

MISSISSIPPI COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2008

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 County Clerks to be used for automated record systems and any legitimate county purpose.
County Jail Sales Tax	Ordinance No. 0-98-11 (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.
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	Ordinance No. 2003-6 (March 25, 2006) 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 Communications Facility and	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	Ordinance No. 2002-3 (February 26, 2002) established this fund to maintain the firing range.
Sheriff's Helicopter	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	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 providing the clerk to collect \$2 per marriage license to be used for the operation of the office of the county clerk.
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 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. § 21-6-306 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.

MISSISSIPPI COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2008

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

Fund Name	Fund Description
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 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	Federal grants received from the Department of Homeland Security for the purpose of purchasing equipment.
Game Protection	Ark. Code Ann. § 15-41-209 providing all fines levied on persons convicted of game and fish violations to be used to fund school education programs for fish and wildlife conservation.
Assessor's Amendment No. 79	Ark. Code Ann. § 26-26-310 provides that 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	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	State grant received to improve access to polling places for disabled voters.
Courthouse Security Grant	State grant received to improve security at courthouse.

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, 2008  
(Unaudited)

Schedule 3

	<u>December 31, 2008</u>
Land	\$ 2,857,018
Buildings	18,303,159
Equipment	<u>8,006,031</u>
Total	<u><u>\$ 29,166,208</u></u>

MISSISSIPPI COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
DECEMBER 31, 2008  
(Unaudited)

Schedule 4

<b><u>General</u></b>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Assets	\$ 8,571,262	\$ 6,694,932	\$ 4,459,854	\$ 5,155,359	\$ 2,697,790
Total Liabilities	95,525				
Total Fund Balances	8,475,737	6,694,932	4,459,854	5,155,359	2,697,790
Net Revenues	9,609,962	9,503,541	8,217,635	9,507,377	8,835,587
Total Expenditures	7,868,339	7,344,159	6,773,786	6,145,016	6,185,816
<b><u>Road</u></b>					
Total Assets	\$ 2,254,556	\$ 2,098,849	\$ 1,534,373	\$ 1,486,554	\$ 1,416,922
Total Liabilities	244,949				
Total Fund Balances	2,009,607	2,098,849	1,534,373	1,486,554	1,416,922
Net Revenues	2,382,618	2,226,659	2,061,722	1,979,234	1,942,393
Total Expenditures	2,493,040	1,662,183	2,013,903	2,155,976	1,767,588
<b><u>Other Funds in the Aggregate</u></b>					
Total Assets	\$ 12,224,318	\$ 10,046,893	\$ 12,737,139	\$ 16,083,618	\$ 16,211,500
Total Liabilities	3,444,044	3,632,132	6,961,911	12,021,142	12,649,846
Total Fund Balances	8,780,274	6,414,761	5,775,228	4,062,476	3,561,654
Net Revenues	9,194,481	7,308,761	6,817,064	5,979,094	5,213,630
Total Expenditures	8,026,896	7,312,742	7,936,271	6,414,990	4,207,034

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