

Mississippi County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2007

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, 2007, 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, 2007, 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 Arkansas Department of Economic Development Grant 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 Arkansas Department of Economic Development Grant Funds to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, receipts, and disbursements. The amount by which this departure would affect the assets, liabilities, receipts, and disbursements 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).

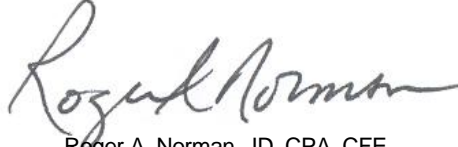
In our opinion, because of the effects on the financial statements of the omissions described in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective regulatory basis financial position of the other funds in the aggregate of Mississippi County, Arkansas, as of December 31, 2007, 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, 2007, 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 7, 2009 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 Schedules 1 and 2 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 listed in the table of contents as Schedule 3 is required by the regulatory basis of presentation and is presented for the purpose of additional analysis. We have not applied auditing procedures to this information and, accordingly, we express no opinion on the Schedule of Capital Assets.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with a large initial "R".

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

Little Rock, Arkansas
May 7, 2009
LOCO04707

Sen. Bobby L. Glover
Senate Co-Chair
Rep. Johnny Hoyt
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Sen. Bill Pritchard
Senate Co-Vice Chair
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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, 2007, and have issued our report thereon dated May 7, 2009. We issued an adverse opinion because the County prepared the financial statements using accounting principles 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(B and 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 and Arkansas Department of Economic Development Grant Funds which are 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 of 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 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 entity'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:

2007-1 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, of the significant deficiencies described above, we consider item 2007-1 to be a material weakness.

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.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described as follows:

OMB Circular A-133 requires County Management to obtain a federal compliance audit when federal expenditures exceed \$500,000. The County had in excess of \$500,000 in federal expenditures in 2007 and did not obtain a federal compliance audit as required. The County could be responsible for repayment of federal expenditures if instances of noncompliance are noted during a federal compliance audit.

The County Judge indicated the County will correctly adhere to the compliance requirements in the future.

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 2007:

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

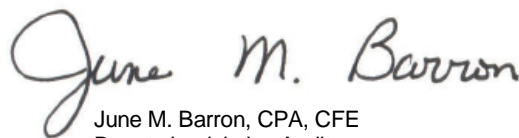
Our audit procedures indicated that the Offices of **Sheriff**, **Tax Collector**, **Circuit Clerk** and **County Clerk** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the Offices of **County Judge**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

The **County Judge** did not budget the County Hospital and Historical Preservation Grant Funds as required by Ark. Code Ann. § 14-20-103.

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

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



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
May 7, 2009

MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2007

Exhibit A

	General	Road	Other Funds In The Aggregate
ASSETS			
Cash and cash equivalents	\$ 6,694,932	\$ 2,098,849	\$ 10,046,893
LIABILITIES AND FUND BALANCES			
Liabilities:			
Settlements pending			\$ 3,632,132
Fund Balances:			
Reserved		\$ 2,098,849	6,414,761
Unreserved:			
Designated	\$ 3,520,115		
Undesignated	3,174,817		
Total Fund Balances	6,694,932	2,098,849	6,414,761
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,694,932	\$ 2,098,849	\$ 10,046,893

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

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Exhibit B

	General	Road	Other Funds In The Aggregate
RECEIPTS			
State aid	\$ 666,847	\$ 1,375,745	\$ 257,009
Federal aid			570,690
Property taxes	1,060,435	733,611	186,052
Sales taxes	2,012,374		4,591,699
Fines, forfeitures and costs	865,655		71,349
Interest	278,311	72,663	311,575
Officers' fees	207,242		308,586
Jail fees			308,114
Emergency 911 fees			266,840
Landfill fees	2,444,297		
Insurance proceeds collected	9,849		
Treasurer's commission	59,531		37,414
Collector's commission	557,982		128,038
Taxes apportioned - Assessor's salary and expense	957,732		
Other	430,542	55,740	271,395
	9,550,797	2,237,759	7,308,761
TOTAL RECEIPTS			
Less: Treasurer's commission	47,256	11,100	
	9,503,541	2,226,659	7,308,761
NET RECEIPTS			
DISBURSEMENTS			
Current:			
General government	2,374,387		2,539,257
Law enforcement	2,494,284		2,821,129
Highways and streets		1,428,185	
Public safety	33,376		690,465
Sanitation	2,060,791		
Health	82,590		605,564
Social services	79,602		656,327
Total Current	7,125,030	1,428,185	7,312,742

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Exhibit B

	General	Road	Other Funds In The Aggregate
DISBURSEMENTS (CONTINUED)			
Debt Service:			
Lease principal		\$ 124,641	
Lease interest		13,778	
Notes payable - principal	\$ 198,891	90,848	
Notes payable - interest	20,238	4,731	
TOTAL DISBURSEMENTS	7,344,159	1,662,183	\$ 7,312,742
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	2,159,382	564,476	(3,981)
OTHER FINANCING SOURCES (USES)			
Transfers in	99,435		863,314
Transfers out	(742,949)		(219,800)
TOTAL OTHER FINANCING SOURCES (USES)	(643,514)		643,514
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	1,515,868	564,476	639,533
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	4,459,854	1,534,373	5,775,228
Restatement adjustment	719,210		
FUND BALANCES - JANUARY 1, AS RESTATED	5,179,064	1,534,373	5,775,228
FUND BALANCES - DECEMBER 31	\$ 6,694,932	\$ 2,098,849	\$ 6,414,761

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

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
State aid	\$ 644,932	\$ 666,847	\$ 21,915	\$ 1,214,000	\$ 1,375,745	\$ 161,745
Property taxes	909,864	1,060,435	150,571	627,000	733,611	106,611
Sales taxes	2,012,374	2,012,374				
Fines, forfeitures and costs	850,254	865,655	15,401			
Interest	63,094	278,311	215,217	24,500	72,663	48,163
Officers' fees	286,945	207,242	(79,703)			
Landfill fees	2,425,144	2,444,297	19,153			
Insurance proceeds collected		9,849	9,849			
Treasurer's commission	199,506	59,531	(139,975)			
Collector's commission	594,488	557,982	(36,506)			
Taxes apportioned - Assessor's salary and expense	957,732	957,732				
Other	486,198	430,542	(55,656)	12,000	55,740	43,740
TOTAL RECEIPTS	9,430,531	9,550,797	120,266	1,877,500	2,237,759	360,259
Less: Treasurer's commission		47,256	(47,256)	(2,700)	11,100	(13,800)
NET RECEIPTS	9,430,531	9,503,541	73,010	1,880,200	2,226,659	346,459
DISBURSEMENTS						
Current:						
General government	2,365,107	2,374,387	(9,280)			
Law enforcement	2,494,284	2,494,284				
Highways and streets				1,662,183	1,428,185	233,998
Public safety	34,680	33,376	1,304			
Sanitation	2,279,915	2,060,791	219,124			
Health	82,590	82,590				
Social services	79,602	79,602				
Total Current	7,336,178	7,125,030	211,148	1,662,183	1,428,185	233,998

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
DISBURSEMENTS (CONTINUED)						
Debt Service:						
Lease principal				\$ 124,641		\$ (124,641)
Lease interest				13,778		(13,778)
Notes payable - principal		\$ 198,891	\$ (198,891)	90,848		(90,848)
Notes payable - interest		20,238	(20,238)	4,731		(4,731)
TOTAL DISBURSEMENTS	\$ 7,336,178	7,344,159	(7,981)	\$ 1,662,183	1,662,183	0
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	2,094,353	2,159,382	65,029	218,017	564,476	346,459
OTHER FINANCING SOURCES (USES)						
Transfers in	39,547	99,435	59,888			
Transfers out	(742,191)	(742,949)	(758)			
TOTAL OTHER FINANCING SOURCES (USES)	(702,644)	(643,514)	59,130			
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	1,391,709	1,515,868	124,159	218,017	564,476	346,459
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED		4,459,854	4,459,854		1,534,373	1,534,373
Restatement adjustment		719,210	719,210			
FUND BALANCES - JANUARY 1, AS RESTATED		5,179,064	5,179,064		1,534,373	1,534,373
FUND BALANCES - DECEMBER 31	\$ 1,391,709	\$ 6,694,932	\$ 5,303,223	\$ 218,017	\$ 2,098,849	\$ 1,880,832

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

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MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1: Summary of Significant Accounting Policies

As discussed further in Note 1(B and C), these financial statements are presented in accordance with the regulatory basis of presentation and accounting as prescribed or permitted by Arkansas Code. This regulatory basis of presentation and accounting differs from accounting principles generally accepted in the United States of America.

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 Arkansas Department of Economic Development Grant.

B. Basis of Presentation - Regulatory Fund Accounting

The accounting system is organized and operated on a fund basis. 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. Arkansas Code 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 (receipts), expenditures (disbursements), and changes in fund equity (balances); a comparison of the final adopted budget to the actual expenditures for the general fund and road fund; notes to the financial statements; and a supplemental schedule of capital assets.

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

General Fund - The General Fund is the general 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 Mississippi County Employee Insurance.

Road Fund - The Road Fund is used to account for the proceeds of specific receipt sources that are legally restricted to disbursements 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 receipt sources that are legally restricted to disbursements 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, Road Centerline Program Grant, Homeland Security Grants, Game Protection, Assessor's Amendment No. 79, Fair Board Grant, Substance Abuse Education (Act 841) and County Hospital.

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 - Schools, ISA Interest, Common School, Cities, Blytheville Law Library, Osceola Law Library, Game and Fish, Arkansas Highway Department, Administration of Justice, Judicial Enhancement, Cash Bond, State Land Sales, Collector's Interest, Mississippi County Right-of-Way, State Treasurer (Acts 54 and 431), Birdsong Fire, Child Passenger, Drug Crime Special, SD No. 57 - South Mississippi County CD and Treasurer's Change Fund; Tax Collector - Current Tax, Delinquent Real Estate Tax, Delinquent Personal Tax, Delinquent Improvements Tax and Change Fund; Sheriff - Bond and Fee, Commissary, Petty Cash and Change Fund; County Clerk - Fee, Trust, Change Fund and Payroll Tax Clearing; Circuit Clerk - Fee and Trust and Change Fund; Juvenile Probation and Senior Citizens.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The financial statements are presented using a regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for settlements pending. This regulatory basis differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable, interfund receivables, and capital assets) and their related receipts and certain liabilities (such as accounts payable, interfund payables, and long-term debt) and their related disbursements 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.

Liabilities

For the purpose of financial reporting, liabilities include 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, which has been legally segregated for specific purposes.
2. Designated Fund Balance indicates that portion of fund balance for which the entity has made tentative plans.
3. Undesignated Fund Balance indicates that portion of fund balance which is available for budgeting in future periods.

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 disbursements 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 and Historical Preservation Funds.

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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

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: 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, 2007, the legal debt limit for bonded debt was \$42,897,958. 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, 2007, the legal debt limit for short-term financing obligations was \$11,606,215. The amount of short-term financing obligations was \$662,421 leaving a legal debt margin of \$10,943, 794.

NOTE 5: Federal Funds Program Compliance

The Senior Citizens and Homeland Security grants of the County were not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

NOTE 6: Reserved Fund Balance

Reserved fund balance consists of the following:

	December 31, 2007
<u>Road</u>	\$ 2,098,849
<u>Other Funds in the Aggregate</u>	
Special Revenue Funds:	
County Recorder's Cost	\$ 126,243
County Jail Sales Tax	55,791
Economic Development	3,627,238
Detention Center (Act 1188)	620
Sheriff's Communications Facility and Equipment	54,469
Sheriff's Block Grant	10,851
Sheriff's Commissary	22,673
Sheriff's Firing Range	20,632
Sheriff's Helicopter	33,679
Historical Preservation Grant	89
Senior Citizens	101,706
Emergency 911	55,781
Drug Task Force	12,811
Local Emergency Response Grant	1,768
County Clerk's Marriage License	910

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6: Reserved Fund Balance (Continued)

	December 31, 2007
<u>Other Funds in the Aggregate</u> (Continued)	
Special Revenue Funds: (Continued)	
Court Automation	\$ 43,181
Collector's Automation	73,582
County Clerk's Automation	14,657
Juvenile Detention	48,054
Pandemic Grant	1,185
West Nile Virus	3,304
Treasurer's Automation	9,892
Homeland Security Grants	4,492
Game Protection	9,725
Assessor's Amendment No. 79	14
County Hospital	2,081,414
Total Other Funds in the Aggregate	\$ 6,414,761

NOTE 7: Designated Fund Balances

The General Fund designated fund balances for December 31, 2007 consisted of the following:

	December 31, 2007
Mississippi County employee insurance	\$ 726,717
Hospital maintenance and operations	2,240,798
Landfill closure and postclosure care costs	552,600
Total	\$ 3,520,115

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2007:

	December 31, 2007
Long-Term Debt	\$ 2,329,268

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8: Commitments (Continued)

Long-Term Debt

Long-Term Debt at December 31, 2007 is comprised of the following:

	December 31, 2007
Compensated absences	\$ 216,880
Estimated liability for landfill closure and postclosure care costs	1,449,967
Note payable entered on January 28, 2005 with First National Bank of Blytheville for the purchase of an 826C Caterpillar compactor; interest at 4.25%; monthly installments of \$4,148 for 36 months. Payments are to be made from the General Fund.	4,133
Note payable entered on July 1, 2005 with First National Bank of Blytheville for the purchase of a 2002 New Holland tractor; interest at 4.25%; monthly installments of \$1,493 for 36 months. Payments are to be made from the General Fund.	10,303
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 36 months. Payments are to be made from the General Fund.	41,379
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.	292,433
Note payable entered on April 27, 2005 with Ford Motor Credit Corporation for the purchase of a 2005 F150 truck; interest at 7.74%; monthly installments of \$699 for 36 months. Payments are to be made from the Road Fund.	2,750
Note payable entered on April 27, 2005 with Ford Motor Credit Corporation for the purchase of a 2005 F150 truck; interest at 7.74%; monthly installments of \$494 for 36 months. Payments are to be made from the Road Fund.	1,944
Note payable entered on July 1, 2005 with First National Bank of Blytheville for the purchase of two Caterpillar road graders; interest at 4.25%; monthly installments of \$6,772 for 36 months. Payments are to be made from the Road Fund.	46,739
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.	131,370
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.	131,370
Total Long-Term Debt	\$ 2,329,268

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, 2007

NOTE 8: 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 \$1,449,967 as of December 31, 2007, which is based on 43 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 \$1,456,133 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. 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, \$152,600 in interest has been added to the \$400,000 that has been set aside by the County for a total designated fund balance of \$552,600 in the General Fund.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2007:

Years Ending December 31,	Notes	Leases	Total
2008	\$ 185,105	\$ 138,419	\$ 323,524
2009	100,396	138,419	238,815
2010	91,867		91,867
2011	45,933		45,933
Total Obligations	423,302	276,838	700,140
Less Interest	23,621	14,098	37,719
Total Principal	\$ 399,681	\$ 262,740	\$ 662,421

NOTE 9: Interfund Transfers

The General Fund transferred \$742,949 to Other Funds in the Aggregate for operations. Other Funds in the Aggregate transferred \$99,434 to the General Fund and \$120,366 within Other Funds in the Aggregate for reimbursement purposes.

NOTE 10: Prior Year Restatement

The General Fund's beginning fund balance was increased by \$719,210 to include the Mississippi County Employee Insurance Fund which previously was reported as an agency account.

NOTE 11: Joint Venture: Regional Library

Mississippi and Crittenden Counties entered into an agreement in July, 1991 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mississippi County/Crittenden County Regional Library. The agreement states that the purpose for forming the regional library is "...providing improved library services to the people of the two counties. Each county shall provide its own library facilities and exercise exclusive control, ownership and management thereof, and pay the salaries of regional county library personnel in that county". The business of the Mississippi County/Crittenden County Regional Library is to be conducted by a regional board, composed of the two administrative county boards (ten members) which boards shall continue to function over their respective systems. The Regional Library Board shall approve the employment and termination of regional library personnel, the regional budget and expenditures and regional library policies. The system headquarters shall be Mississippi County, Arkansas. Separate financial statements of the Regional Library are not available. No funds were received from or sent to the Regional Library.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 12: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements 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 \$2,000 of the aggregate cost for all expenses on each lawsuit.

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

NOTE 13: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation.

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 1

	SPECIAL REVENUE FUNDS							
	County Recorder's Cost	County Jail Sales Tax	Economic Development	Detention Center (Act 1188)	Sheriff's Communications Facility and Equipment	Sheriff's Block Grant	Sheriff's Commissary	Sheriff's Firing Range
ASSETS								
Cash and cash equivalents	\$ 126,243	\$ 55,791	\$ 3,627,238	\$ 620	\$ 54,469	\$ 10,851	\$ 22,673	\$ 20,632
LIABILITIES AND FUND BALANCES								
Liabilities:								
Settlements pending								
Fund Balances:								
Reserved	\$ 126,243	\$ 55,791	\$ 3,627,238	\$ 620	\$ 54,469	\$ 10,851	\$ 22,673	\$ 20,632
TOTAL LIABILITIES AND FUND BALANCES	\$ 126,243	\$ 55,791	\$ 3,627,238	\$ 620	\$ 54,469	\$ 10,851	\$ 22,673	\$ 20,632

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 1

SPECIAL REVENUE FUNDS

	Sheriff's Helicopter	Historical Preservation Grant	Senior Citizens	Emergency 911	Drug Task Force	Local Emergency Response Grant	County Clerk's Marriage License	Court Automation
ASSETS								
Cash and cash equivalents	\$ 33,679	\$ 89	\$ 101,706	\$ 55,781	\$ 12,811	\$ 1,768	\$ 910	\$ 43,181
LIABILITIES AND FUND BALANCES								
Liabilities:								
Settlements pending								
Fund Balances:								
Reserved	\$ 33,679	\$ 89	\$ 101,706	\$ 55,781	\$ 12,811	\$ 1,768	\$ 910	\$ 43,181
TOTAL LIABILITIES AND FUND BALANCES	\$ 33,679	\$ 89	\$ 101,706	\$ 55,781	\$ 12,811	\$ 1,768	\$ 910	\$ 43,181

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 1

	SPECIAL REVENUE FUNDS								
	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
ASSETS									
Cash and cash equivalents	\$ 73,582	\$ 14,657	\$ 48,054	\$ 1,185	\$ 3,304	\$ 9,892	\$ 4,492	\$ 9,725	\$ 14
LIABILITIES AND FUND BALANCES									
Liabilities:									
Settlements pending									
Fund Balances:									
Reserved	\$ 73,582	\$ 14,657	\$ 48,054	\$ 1,185	\$ 3,304	\$ 9,892	\$ 4,492	\$ 9,725	\$ 14
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,582	\$ 14,657	\$ 48,054	\$ 1,185	\$ 3,304	\$ 9,892	\$ 4,492	\$ 9,725	\$ 14

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2007

Schedule 1

	SPECIAL REVENUE FUNDS	AGENCY FUNDS						Totals	
	County Hospital	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Probation		Senior Citizens
ASSETS									
Cash and cash equivalents	\$ 2,081,414	\$ 3,219,247	\$ 190,599	\$ 102,891	\$ 9,088	\$ 104,812	\$ 1,902	\$ 3,593	\$ 10,046,893
LIABILITIES AND FUND BALANCES									
Liabilities:									
Settlements pending		\$ 3,219,247	\$ 190,599	\$ 102,891	\$ 9,088	\$ 104,812	\$ 1,902	\$ 3,593	\$ 3,632,132
Fund Balances:									
Reserved	\$ 2,081,414								6,414,761
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,081,414	\$ 3,219,247	\$ 190,599	\$ 102,891	\$ 9,088	\$ 104,812	\$ 1,902	\$ 3,593	\$ 10,046,893

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

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
RECEIPTS							
State aid			\$ 3,397				
Federal aid							
Property taxes							
Sales taxes		\$ 1,530,566		\$ 3,061,133			
Fines, forfeitures and costs					\$ 59,453		
Interest	\$ 3,579	1,522	29	156,473	1,329	\$ 1,889	\$ 22
Officers' fees	217,651					69,085	2,075
Jail fees		308,114					
Emergency 911 fees							
Treasurer's commission							
Collector's commission							
Other		44,959	10	155,793			
TOTAL RECEIPTS	221,230	1,885,161	3,436	3,373,399	60,782	70,974	2,097
Less: Treasurer's commission							
NET RECEIPTS	221,230	1,885,161	3,436	3,373,399	60,782	70,974	2,097
DISBURSEMENTS							
Current:							
General government	152,390			2,174,240			
Law enforcement		2,661,681				70,817	
Public safety			4,580				
Health							
Social services							
TOTAL DISBURSEMENTS	152,390	2,661,681	4,580	2,174,240		70,817	
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	68,840	(776,520)	(1,144)	1,199,159	60,782	157	2,097

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>						
	<u>County Recorder's Cost</u>	<u>County Jail Sales Tax</u>	<u>Boating Safety (Act 122)</u>	<u>Economic Development</u>	<u>Detention Center (Act 1188)</u>	<u>Sheriff's Communications Facility and Equipment</u>	<u>Child Support Collection Costs</u>
OTHER FINANCING SOURCES (USES)							
Transfers in		\$ 818,672					
Transfers out					\$ (120,366)		\$ (2,264)
TOTAL OTHER FINANCING SOURCES (USES)		<u>818,672</u>			<u>(120,366)</u>		<u>(2,264)</u>
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	\$ 68,840	42,152	\$ (1,144)	\$ 1,199,159	(59,584)	\$ 157	(167)
FUND BALANCES - JANUARY 1	<u>57,403</u>	<u>13,639</u>	<u>1,144</u>	<u>2,428,079</u>	<u>60,204</u>	<u>54,312</u>	<u>167</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 126,243</u></u>	<u><u>\$ 55,791</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,627,238</u></u>	<u><u>\$ 620</u></u>	<u><u>\$ 54,469</u></u>	<u><u>\$ 0</u></u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	SPECIAL REVENUE FUNDS						
	Juvenile Fees	Sheriff's Block Grant	Sheriff's Commissary	Sheriff's Firing Range	Sheriff's Helicopter	Historical Preservation Grant	Senior Citizens
RECEIPTS							
State aid						\$ 28,000	\$ 187,474
Federal aid							341,456
Property taxes							
Sales taxes							
Fines, forfeitures and costs							
Interest		\$ 405	\$ 1,037	\$ 1,030	\$ 1,353	89	4,881
Officers' fees	\$ 10,924						
Jail fees							
Emergency 911 fees							
Treasurer's commission							
Collector's commission							
Other			5,609	460			47,664
TOTAL RECEIPTS	10,924	405	6,646	1,490	1,353	28,089	581,475
Less: Treasurer's commission							
NET RECEIPTS	10,924	405	6,646	1,490	1,353	28,089	581,475
DISBURSEMENTS							
Current:							
General government						35,000	
Law enforcement			13,725	18,891	5,384		
Public safety							
Health							
Social services							656,327
TOTAL DISBURSEMENTS			13,725	18,891	5,384	35,000	656,327
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	10,924	405	(7,079)	(17,401)	(4,031)	(6,911)	(74,852)

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	SPECIAL REVENUE FUNDS						
	Juvenile Fees	Sheriff's Block Grant	Sheriff's Commissary	Sheriff's Firing Range	Sheriff's Helicopter	Historical Preservation Grant	Senior Citizens
OTHER FINANCING SOURCES (USES)							
Transfers in							\$ 32,155
Transfers out	\$ (18,483)						<u>32,155</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(18,483)</u>						<u>32,155</u>
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	(7,559)	\$ 405	\$ (7,079)	\$ (17,401)	\$ (4,031)	\$ (6,911)	(42,697)
FUND BALANCES - JANUARY 1	<u>7,559</u>	<u>10,446</u>	<u>29,752</u>	<u>38,033</u>	<u>37,710</u>	<u>7,000</u>	<u>144,403</u>
FUND BALANCES - DECEMBER 31	<u>\$ 0</u>	<u>\$ 10,851</u>	<u>\$ 22,673</u>	<u>\$ 20,632</u>	<u>\$ 33,679</u>	<u>\$ 89</u>	<u>\$ 101,706</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

SPECIAL REVENUE FUNDS

	Emergency 911	Drug Task Force	Local Emergency Response Grant	County Clerk's Marriage License	Court Automation	Collector's Automation	County Clerk's Automation
RECEIPTS							
State aid							
Federal aid							
Property taxes							
Sales taxes							
Fines, forfeitures and costs		\$ 942			\$ 10,954		
Interest	\$ 6,076	855	\$ 67	\$ 78	1,411	\$ 1,389	\$ 534
Officers' fees				1,016			7,835
Jail fees							
Emergency 911 fees	266,840						
Treasurer's commission							
Collector's commission						128,038	
Other		3,776				3,202	
TOTAL RECEIPTS	272,916	5,573	67	1,094	12,365	132,629	8,369
Less: Treasurer's commission							
NET RECEIPTS	272,916	5,573	67	1,094	12,365	132,629	8,369
DISBURSEMENTS							
Current:							
General government				2,720		61,759	6,528
Law enforcement		27,803			4,843		
Public safety	372,913		27				
Health							
Social services							
TOTAL DISBURSEMENTS	372,913	27,803	27	2,720	4,843	61,759	6,528
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(99,997)	(22,230)	40	(1,626)	7,522	70,870	1,841

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>						
	<u>Emergency 911</u>	<u>Drug Task Force</u>	<u>Local Emergency Response Grant</u>	<u>County Clerk's Marriage License</u>	<u>Court Automation</u>	<u>Collector's Automation</u>	<u>County Clerk's Automation</u>
OTHER FINANCING SOURCES (USES)							
Transfers in						\$ 713	
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)						<u>713</u>	
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	\$ (99,997)	\$ (22,230)	\$ 40	\$ (1,626)	\$ 7,522	71,583	\$ 1,841
FUND BALANCES - JANUARY 1	<u>155,778</u>	<u>35,041</u>	<u>1,728</u>	<u>2,536</u>	<u>35,659</u>	<u>1,999</u>	<u>12,816</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 55,781</u></u>	<u><u>\$ 12,811</u></u>	<u><u>\$ 1,768</u></u>	<u><u>\$ 910</u></u>	<u><u>\$ 43,181</u></u>	<u><u>\$ 73,582</u></u>	<u><u>\$ 14,657</u></u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	SPECIAL REVENUE FUNDS						
	Juvenile Detention	Pandemic Grant	West Nile Virus	Treasurer's Automation	Road Centerline Program Grant	Homeland Security Grants	Game Protection
RECEIPTS							
State aid	\$ 19,001						\$ 7,966
Federal aid						\$ 229,234	
Property taxes							
Sales taxes							
Fines, forfeitures and costs							
Interest	1,065		\$ 123			4,852	225
Officers' fees							
Jail fees							
Emergency 911 fees							
Treasurer's commission				\$ 37,414			
Collector's commission							
Other							
TOTAL RECEIPTS	20,066		123	37,414		234,086	8,191
Less: Treasurer's commission							
NET RECEIPTS	20,066		123	37,414		234,086	8,191
DISBURSEMENTS							
Current:							
General government				93,549			
Law enforcement	8,985						9,000
Public safety		\$ 1,740			\$ 22,361	288,844	
Health							
Social services							
TOTAL DISBURSEMENTS	8,985	1,740		93,549	22,361	288,844	9,000
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	11,081	(1,740)	123	(56,135)	(22,361)	(54,758)	(809)

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>						
	<u>Juvenile Detention</u>	<u>Pandemic Grant</u>	<u>West Nile Virus</u>	<u>Treasurer's Automation</u>	<u>Road Centerline Program Grant</u>	<u>Homeland Security Grants</u>	<u>Game Protection</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 11,774						
Transfers out						\$ (78,675)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,774</u>					<u>(78,675)</u>	
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	22,855	\$ (1,740)	\$ 123	\$ (56,135)	\$ (22,361)	(133,433)	\$ (809)
FUND BALANCES - JANUARY 1	<u>25,199</u>	<u>2,925</u>	<u>3,181</u>	<u>66,027</u>	<u>22,361</u>	<u>137,925</u>	<u>10,534</u>
FUND BALANCES - DECEMBER 31	<u>\$ 48,054</u>	<u>\$ 1,185</u>	<u>\$ 3,304</u>	<u>\$ 9,892</u>	<u>\$ 0</u>	<u>\$ 4,492</u>	<u>\$ 9,725</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

<u>SPECIAL REVENUE FUNDS</u>					
	<u>Assessor's Amendment No. 79</u>	<u>Fair Board Grant</u>	<u>Substance Abuse Education (Act 841)</u>	<u>County Hospital</u>	<u>Totals</u>
RECEIPTS					
State aid	\$ 11,171				\$ 257,009
Federal aid					570,690
Property taxes				\$ 186,052	186,052
Sales taxes					4,591,699
Fines, forfeitures and costs					71,349
Interest	280			120,982	311,575
Officers' fees					308,586
Jail fees					308,114
Emergency 911 fees					266,840
Treasurer's commission					37,414
Collector's commission					128,038
Other				9,922	271,395
				<u>9,922</u>	<u>271,395</u>
TOTAL RECEIPTS	11,451			316,956	7,308,761
Less: Treasurer's commission					
NET RECEIPTS	<u>11,451</u>			<u>316,956</u>	<u>7,308,761</u>
DISBURSEMENTS					
Current:					
General government	13,071				2,539,257
Law enforcement					2,821,129
Public safety					690,465
Health				605,564	605,564
Social services					656,327
TOTAL DISBURSEMENTS	<u>13,071</u>			<u>605,564</u>	<u>7,312,742</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,620)</u>			<u>(288,608)</u>	<u>(3,981)</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>				<u>Totals</u>
	<u>Assessor's Amendment No. 79</u>	<u>Fair Board Grant</u>	<u>Substance Abuse Education (Act 841)</u>	<u>County Hospital</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in					\$ 863,314
Transfers out		\$ (4)	\$ (8)		<u>(219,800)</u>
TOTAL OTHER FINANCING SOURCES (USES)		<u>(4)</u>	<u>(8)</u>		<u>643,514</u>
EXCESS OF RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER USES	\$ (1,620)	(4)	(8)	\$ (288,608)	639,533
FUND BALANCES - JANUARY 1	<u>1,634</u>	<u>4</u>	<u>8</u>	<u>2,370,022</u>	<u>5,775,228</u>
FUND BALANCES - DECEMBER 31	<u>\$ 14</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,081,414</u>	<u>\$ 6,414,761</u>

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

<u>Fund Name</u>	<u>Fund Description</u>
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Jail Sales Tax	Ordinance No. 0-98-11 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 Detention Center (Act 1188)	Ordinance No. 2003-6 providing for the levy of a one-half percent sales tax for economic development purposes. Ark. Code Ann. § 16-17-129 authorized all city and county governments to levy an additional fine up to five dollars to help defray the expense of incarcerating prisoners in city and county jails.
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 Juvenile Fees	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office. 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 Sheriff's Commissary	A federal block grant received for law enforcement purposes. 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 established this fund to maintain the firing range.
Sheriff's Helicopter	Ordinance No. 2002-3 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
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 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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
FOR THE YEAR ENDED DECEMBER 31, 2007

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Road Centerline Program Grant	Grant funding to be used to purchase hardware and software to accelerate the development and creation of state compliant road centerline data.
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 one percent of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Arkansas Constitution, Amendment No. 79.
Fair Board Grant	State grant received for the operation of the Fair Board.
Substance Abuse Education (Act 841)	An act (Act 841) for the Department of Finance and Administration - Disbursing Office - state assistance to Mississippi County for a substance abuse and education program general improvement appropriation.
County Hospital	Ordinance No. 2006-12 established a four mill real and personal tax for hospital purposes.

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

MISSISSIPPI COUNTY, ARKANSAS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2007
Unaudited

Schedule 3

	<u>December 31,</u> <u>2007</u>
Land	\$ 2,700,297
Buildings	18,303,159
Equipment	<u>6,725,758</u>
Total	<u>\$ 27,729,214</u>