

Mississippi County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2015

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS
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Arkansas

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Sen. Lance Eads
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Mary Bentley
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Mississippi County, Arkansas, as of and for the year ended December 31, 2015, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Mississippi County, Arkansas, as of December 31, 2015, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Mississippi County, Arkansas, as of December 31, 2015, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the County would have included some funds under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*. However, under the regulatory basis, these funds are not required to be included as part of the reporting entity.

Other Matters

Supplementary and Other Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
December 19, 2016
LOCO04715

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Lance Eads
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Mary Bentley
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS,
AND OTHER ISSUES BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Mississippi County, Arkansas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2016. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2015-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, again did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

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

Compliance and Other Matters

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

Entity's Response to Finding

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

Other Issues

The commentary contained in this section relates to the following officials that held office during 2015:

County Judge: Randy Carney
Treasurer: Peggy Meatte
Sheriff: Dale Cook
Tax Collector: Patricia Caldwell
County Clerk: Janice Currie
Circuit Clerk: Leslie Mason
Assessor: Harley Bradley

Our audit procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 19, 2016

MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2015

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,271,713	\$ 777,313	\$ 7,256,557
Accounts receivable	1,714,841	114,970	1,232,058
Interfund receivables	50,000		
TOTAL ASSETS	\$ 4,036,554	\$ 892,283	\$ 8,488,615
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 396,905	\$ 73,817	\$ 673,058
Interfund payables			50,000
Settlements pending		1,742	4,548,566
Total Liabilities	396,905	75,559	5,271,624
Fund Balances:			
Restricted		816,724	3,211,520
Assigned	636,277		197,237
Unassigned	3,003,372		(191,766)
Total Fund Balances	3,639,649	816,724	3,216,991
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,036,554	\$ 892,283	\$ 8,488,615

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, 2015

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 770,832	\$ 1,902,020	\$ 203,244
Federal aid	75,991		324,500
Property taxes	3,395,726	977,305	568,743
Sales taxes	2,092,928		6,916,998
Fines, forfeitures, and costs	610,897		162,430
Interest	13,963	3,314	23,130
Officers' fees	126,311		282,340
Jail fees			890,376
Emergency 911 fees			415,048
Landfill fees			3,181,760
Sale of assets			577,089
Treasurer's commission	161,047		57,581
Collector's commission	292,552		116,360
Taxes apportioned - Assessor's salary and expense	549,781		
Other	508,372	57,421	290,030
TOTAL REVENUES	8,598,400	2,940,060	14,009,629
Less: Treasurer's commission	61,445	21,769	90,478
NET REVENUES	8,536,955	2,918,291	13,919,151
EXPENDITURES			
Current:			
General government	3,090,911		5,944,173
Law enforcement	3,910,279		3,623,484
Highways and streets		2,914,091	
Public safety	37,492		370,237
Sanitation			3,599,725
Health	87,579		
Social services	104,582		645,026
Total Current	7,230,843	2,914,091	14,182,645
Debt Service:			
Lease principal		93,870	
Lease interest		18,534	
Note principal	250,000		5,768
Note interest	1,595		288
TOTAL EXPENDITURES	7,482,438	3,026,495	14,188,701

MISSISSIPPI COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,054,517</u>	<u>\$ (108,204)</u>	<u>\$ (269,550)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	58,914	824	1,507,008
Transfers out	(1,368,096)	(14,764)	(183,886)
Loan proceeds	250,000		
Transfer of property and sales taxes to County Hospital Board			<u>(2,411,698)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,059,182)</u>	<u>(13,940)</u>	<u>(1,088,576)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,665)	(122,144)	(1,358,126)
FUND BALANCES - JANUARY 1	<u>3,644,314</u>	<u>938,868</u>	<u>4,575,117</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,639,649</u></u>	<u><u>\$ 816,724</u></u>	<u><u>\$ 3,216,991</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, 2015

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 728,199	\$ 770,832	\$ 42,633	\$ 1,860,222	\$ 1,902,020	\$ 41,798
Federal aid		75,991	75,991			
Property taxes	2,954,132	3,395,726	441,594	794,959	977,305	182,346
Sales taxes	2,158,522	2,092,928	(65,594)			
Fines, forfeitures, and costs	578,895	610,897	32,002			
Interest	17,581	13,963	(3,618)	5,238	3,314	(1,924)
Officers' fees	125,912	126,311	399			
Treasurer's commission	122,170	161,047	38,877			
Collector's commission	342,015	292,552	(49,463)			
Taxes apportioned - Assessor's salary and expense	472,283	549,781	77,498			
Other	559,481	508,372	(51,109)	1,245	57,421	56,176
TOTAL REVENUES	8,059,190	8,598,400	539,210	2,661,664	2,940,060	278,396
Less: Treasurer's commission	805	61,445	(60,640)	19,165	21,769	(2,604)
NET REVENUES	8,058,385	8,536,955	478,570	2,642,499	2,918,291	275,792
EXPENDITURES						
Current:						
General government	3,141,512	3,090,911	50,601			
Law enforcement	4,206,466	3,910,279	296,187			
Highways and streets				3,027,290	2,914,091	113,199
Public safety	37,499	37,492	7			
Health	87,584	87,579	5			
Social services	104,587	104,582	5			
Total Current	7,577,648	7,230,843	346,805	3,027,290	2,914,091	113,199
Debt Service:						
Lease principal					93,870	(93,870)
Lease interest					18,534	(18,534)
Note principal		250,000	(250,000)			
Note interest		1,595	(1,595)			
TOTAL EXPENDITURES	7,577,648	7,482,438	95,210	3,027,290	3,026,495	795

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, 2015

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 480,737	\$ 1,054,517	\$ 573,780	\$ (384,791)	\$ (108,204)	\$ 276,587
OTHER FINANCING SOURCES (USES)						
Transfers in	330,723	58,914	(271,809)		824	824
Transfers out	(1,337,797)	(1,368,096)	(30,299)		(14,764)	(14,764)
Loan proceeds		250,000	250,000			
TOTAL OTHER FINANCING SOURCES (USES)	(1,007,074)	(1,059,182)	(52,108)		(13,940)	(13,940)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(526,337)	(4,665)	521,672	(384,791)	(122,144)	262,647
FUND BALANCES - JANUARY 1	700,000	3,644,314	2,944,314		938,868	938,868
FUND BALANCES - DECEMBER 31	\$ 173,663	\$ 3,639,649	\$ 3,465,986	\$ (384,791)	\$ 816,724	\$ 1,201,515

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following funds of the County would have been included in the reporting entity: Mississippi County Library and County Hospital Board. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are not included in this report.

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 Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

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

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

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

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback and property taxes that are restricted for maintaining and constructing roads.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Road Funds. The following types of funds are included in this column as follows:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Funds presented on Schedules 1 and 2 are reported with other funds in the aggregate.

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The Agency Funds presented on Schedule 1 are reported with other funds in the aggregate.

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, interest, fees, payroll settlements, and tax settlements that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15.

F. Budget Law

1. Legal Requirements

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

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds.

G. Fund Balance Classification Policies and Procedures

The County's highest level of decision-making authority is its Quorum Court. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the Quorum Court through passage of an ordinance. The Quorum Court is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The County does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The County does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

There were no committed fund balances at year-end.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,104,305	\$ 1,110,941
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	9,198,652	9,916,144
Total Deposits	\$ 10,302,957	\$ 11,027,085

The above total deposits do not include cash on hand of \$2,626.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2015, none of the County's bank balances were exposed to custodial credit risk.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2015, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 18,926
Federal aid			7,967
Property taxes	\$ 369,027	\$ 79,043	45,057
Sales taxes	166,035		638,679
Fines, forfeitures, and costs	34,361		8,156
Interest	1,010	380	1,638
Officers' fees	9,447		25,864
Jail fees			141,288
Emergency 911 fees			9,561
Landfill fees			39,186
Treasurer's commission	161,047		
Collector's commission	290,243		116,360
Taxes apportioned-Assessor's salary and expense	546,773		
Other	44,412		31,635
Excess Treasurer's commission	92,486	35,547	147,741
Totals	\$ 1,714,841	\$ 114,970	\$ 1,232,058

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2015, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 396,905	\$ 73,817	\$ 673,058

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2015	
	Interfund Receivables	Interfund Payables
General	\$ 50,000	
Other Funds in the Aggregate:		
Special Revenue Fund:		
Solid Waste		\$ 50,000
Totals	\$ 50,000	\$ 50,000

Interfund receivables and payables consist of an interfund loan. These balances are expected to be repaid when funds are available.

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2015, the legal debt limit for bonded debt was \$56,271,473. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2015, the legal debt limit for short-term financing obligations was \$15,800,488. The amount of short-term financing obligations was \$725,246, leaving a legal debt margin of \$15,075,242.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2015, are composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances:			
Restricted for:			
General government			\$ 2,513,519
Law enforcement			185,734
Highways and streets		\$ 816,724	
Public safety			182,589
Health			329,678
Total Restricted		<u>816,724</u>	<u>3,211,520</u>
Assigned to:			
General government	\$ 1,784		
Law enforcement	19,111		133,321
Social services			63,916
Sanitation	615,382		
Total Assigned	<u>636,277</u>		<u>197,237</u>
Unassigned	<u>3,003,372</u>		<u>(191,766)</u>
Totals	<u>\$ 3,639,649</u>	<u>\$ 816,724</u>	<u>\$ 3,216,991</u>

NOTE 9: Deficit Fund Balance

The following fund has a deficit fund balance as of December 31, 2015:

	<u>December 31, 2015</u>
Other Funds in the Aggregate:	
Special Revenue:	
Solid Waste	<u>\$ (191,766)</u>

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2015:

	<u>December 31, 2015</u>
Long-term liabilities	\$ 7,059,159
Construction contract	<u>127,696</u>
Total Commitments	<u>\$ 7,186,855</u>

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 10: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2015, are comprised of the following:

	December 31, 2015
Estimated liability for landfill closure and postclosure care costs	\$ 6,175,974
Compensated absences	157,939
Lease payable entered into on May 26, 2015, with Bancorp South Finance to purchase five Mack dump trucks; interest at 2.29%; monthly installments of \$7,805 and one final payment of \$535,000. Payments are to be made from the Road Fund.	725,246
Total Long-term liabilities	\$ 7,059,159

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

Landfill Closure and Postclosure Care Costs

State and federal laws require that Mississippi County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at landfill sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting waste, the County is required to recognize a portion of these closure and postclosure care costs each year based on the landfills' capacity used as of each balance sheet date. The estimated liability for landfill and postclosure care costs has a balance of \$6,175,974 as of December 31, 2015, which is based on 95% use of the class one landfill and 2.5% use of the class four landfill's capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$960,908 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has set aside \$615,382 as an assigned fund balance from General Fund intended for closure and postclosure care costs. Also, a letter of credit of \$1,448,203 from Southern Bancorp and \$1,373,027 from Farmers Bank has been issued.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2015:

Years Ending December 31,	Leases
2016	\$ 93,660
2017	93,660
2018	574,025
Total Obligations	761,345
Less Interest	36,099
Total Principal	\$ 725,246

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2015:

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11: Interfund Transfers

The General Fund transferred \$1,368,096 to Other Funds in the Aggregate for operating purposes. The Road Fund transferred \$14,764 to the General Fund to reimburse expenditures. Other Funds in the Aggregate [Solid Waste (\$49), Senior Citizens (\$60), Sheriff's Helicopter (\$27), and County Jail Sales Tax (\$688)] transferred \$824 to the Road Fund to reimburse expenditures. Other Funds in the Aggregate (Economic Development) transferred \$44,150 to the General Fund to reimburse expenditures. Within Other funds in the Aggregate the Detention Center (Act 1188) Fund transferred \$138,912 to the County Jail Sales Tax Fund to supplement expenditures.

NOTE 12: Subsequent Events

On May 3, 2016, the County issued a \$2,884,000 Solid Waste Revenue Bond that shall bear interest at the rate of 2.75%. The bond proceeds will be used to finance the costs of acquiring, constructing, and equipping a waste disposal cell and ancillary facilities for the County's landfill.

NOTE 13: Joint Venture: Regional Library

Mississippi and Crittenden Counties entered into an agreement in July, 1991 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mississippi County/Crittenden County Regional Library. The agreement states that the purpose for forming the regional library is "...providing improved library services to the people of the two counties. Each county shall provide its own library facilities and exercise exclusive control, ownership and management thereof, and pay the salaries for regional county library personnel in that county." The business of the Mississippi County/Crittenden County Regional Library is to be conducted by a regional board, composed of the two administrative county boards (10 members) which boards shall continue to function over their respective systems. The Regional Library Board shall approve the employment and termination of regional library personnel, the regional budget and expenditures and regional library policies. The system headquarters shall be in Mississippi County, Arkansas. The County made no payments to the Mississippi County/Crittenden County Regional Library in 2015. Contact the Mississippi County/Crittenden County Regional Library at 200 North 5th Street, Blytheville, Arkansas 72315 to obtain financial statements.

NOTE 14: Risk Management

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

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

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

Vehicle Program

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 14: Risk Management (Continued)

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

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

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, 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 APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended December 31, 2015, were \$940,793.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2015 (actuarial valuation date and measurement date) was \$6,588,506.

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	Solid Waste	Child Support Collection Costs
ASSETS								
Cash and cash equivalents	\$ 59,723	\$ 114,109	\$ 19,402	\$ 7,965	\$ 18,328	\$ 97,501	\$ 163,582	\$ 1,386
Accounts receivable	13	116,386	1,307	2	497	25,342	81,546	1
TOTAL ASSETS	\$ 59,736	\$ 230,495	\$ 20,709	\$ 7,967	\$ 18,825	\$ 122,843	\$ 245,128	\$ 1,387
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 4,778			\$ 536	\$ 386,894	
Interfund payables							50,000	
Settlements pending								
Total Liabilities			4,778			536	436,894	
Fund Balances:								
Restricted	\$ 59,736	\$ 230,495	15,931	\$ 7,967	\$ 18,825	122,307		\$ 1,387
Assigned								
Unassigned							(191,766)	
Total Fund Balances	59,736	230,495	15,931	7,967	18,825	122,307	(191,766)	1,387
TOTAL LIABILITIES AND FUND BALANCES	\$ 59,736	\$ 230,495	\$ 20,709	\$ 7,967	\$ 18,825	\$ 122,843	\$ 245,128	\$ 1,387

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

	SPECIAL REVENUE FUNDS							
	Sheriff's Communication, Facility and Equipment	Detention Center (Act 1188)	Boating Safety (Act 122)	Emergency 911	Drug Court	Juvenile Fees	Circuit Clerk Commissioner's Fees	County Hospital
ASSETS								
Cash and cash equivalents	\$ 19,255			\$ 172,360	\$ 4,075	\$ 66,468	\$ 5,152	
Accounts receivable	5,943	\$ 8,829	\$ 31	14,730	14	1,095	152	\$ 330,723
TOTAL ASSETS	<u>\$ 25,198</u>	<u>\$ 8,829</u>	<u>\$ 31</u>	<u>\$ 187,090</u>	<u>\$ 4,089</u>	<u>\$ 67,563</u>	<u>\$ 5,304</u>	<u>\$ 330,723</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 560			\$ 5,270	\$ 31			
Interfund payables								
Settlements pending								\$ 1,045
Total Liabilities	<u>560</u>			<u>5,270</u>	<u>31</u>			<u>1,045</u>
Fund Balances:								
Restricted	24,638	\$ 8,829	\$ 31	181,820	4,058	\$ 67,563	\$ 5,304	329,678
Assigned								
Unassigned								
Total Fund Balances	<u>24,638</u>	<u>8,829</u>	<u>31</u>	<u>181,820</u>	<u>4,058</u>	<u>67,563</u>	<u>5,304</u>	<u>329,678</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,198</u>	<u>\$ 8,829</u>	<u>\$ 31</u>	<u>\$ 187,090</u>	<u>\$ 4,089</u>	<u>\$ 67,563</u>	<u>\$ 5,304</u>	<u>\$ 330,723</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

	SPECIAL REVENUE FUNDS							
	Senior Citizens	Economic Development	Sheriff's Helicopter	Local Emergency Response Grant	Officers' Protection Equipment	County Jail Sales Tax	Juvenile Detention	Justice Assistance Grant 2011
ASSETS								
Cash and cash equivalents	\$ 61,203	\$ 1,832,842	\$ 9,196	\$ 737	\$ 18,102		\$ 18,037	\$ 19,613
Accounts receivable	27,617	291,261	2	1	1	\$ 326,565		
TOTAL ASSETS	\$ 88,820	\$ 2,124,103	\$ 9,198	\$ 738	\$ 18,103	\$ 326,565	\$ 18,037	\$ 19,613
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 24,904	\$ 56,605			\$ 25	\$ 193,244	\$ 211	
Interfund payables								
Settlements pending								
Total Liabilities	24,904	56,605			25	193,244	211	
Fund Balances:								
Restricted		2,067,498	\$ 9,198	\$ 738	18,078		17,826	\$ 19,613
Assigned	63,916					133,321		
Unassigned								
Total Fund Balances	63,916	2,067,498	9,198	738	18,078	133,321	17,826	19,613
TOTAL LIABILITIES AND FUND BALANCES	\$ 88,820	\$ 2,124,103	\$ 9,198	\$ 738	\$ 18,103	\$ 326,565	\$ 18,037	\$ 19,613

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

AGENCY FUNDS									
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge's Accounts	Juvenile Probation Account	Senior Citizens Account	Totals
ASSETS									
Cash and cash equivalents	\$ 3,627,157	\$ 377,006	\$ 207,490	\$ 29,668	\$ 246,614	\$ 57,520	\$ 1,716	\$ 350	\$ 7,256,557
Accounts receivable									1,232,058
TOTAL ASSETS	<u>\$ 3,627,157</u>	<u>\$ 377,006</u>	<u>\$ 207,490</u>	<u>\$ 29,668</u>	<u>\$ 246,614</u>	<u>\$ 57,520</u>	<u>\$ 1,716</u>	<u>\$ 350</u>	<u>\$ 8,488,615</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 673,058
Interfund payables									50,000
Settlements pending	\$ 3,627,157	\$ 377,006	\$ 207,490	\$ 29,668	\$ 246,614	\$ 57,520	\$ 1,716	\$ 350	4,548,566
Total Liabilities	<u>3,627,157</u>	<u>377,006</u>	<u>207,490</u>	<u>29,668</u>	<u>246,614</u>	<u>57,520</u>	<u>1,716</u>	<u>350</u>	<u>5,271,624</u>
Fund Balances:									
Restricted									3,211,520
Assigned									197,237
Unassigned									(191,766)
Total Fund Balances									<u>3,216,991</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,627,157</u>	<u>\$ 377,006</u>	<u>\$ 207,490</u>	<u>\$ 29,668</u>	<u>\$ 246,614</u>	<u>\$ 57,520</u>	<u>\$ 1,716</u>	<u>\$ 350</u>	<u>\$ 8,488,615</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, 2015

Schedule 2

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	Solid Waste	Child Support Collection Costs	Game and Fish Education
REVENUES									
State aid				\$ 4,703					\$ 2,503
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 18,958						
Interest	\$ 153	\$ 444	96	29	\$ 48	\$ 365	\$ 382	\$ 5	
Officers' fees					7,288	242,681		72	
Jail fees									
Emergency 911 fees									
Landfill fees							3,181,760		
Sale of assets									
Treasurer's commission	57,581								
Collector's commission		116,360							
Other							5,061		
TOTAL REVENUES	57,734	116,804	19,054	4,732	7,336	243,046	3,187,203	77	2,503
Less: Treasurer's commission			143		57	1,816	25,754	1	
NET REVENUES	57,734	116,804	18,911	4,732	7,279	241,230	3,161,449	76	2,503
EXPENDITURES									
Current:									
General government	57,673	72,114		2,446	2,665	258,415		150	
Law enforcement			38,378						2,503
Public safety									
Sanitation							3,599,725		
Social services									
Total Current	57,673	72,114	38,378	2,446	2,665	258,415	3,599,725	150	2,503
Debt Service:									
Note principal							5,768		
Note interest							288		
TOTAL EXPENDITURES	57,673	72,114	38,378	2,446	2,665	258,415	3,605,781	150	2,503
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	61	44,690	(19,467)	2,286	4,614	(17,185)	(444,332)	(74)	
OTHER FINANCING SOURCES (USES)									
Transfers in							245,634		
Transfers out							(49)		
Transfer of property and sales taxes to County Hospital Board									
TOTAL OTHER FINANCING SOURCES (USES)							245,585		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	61	44,690	(19,467)	2,286	4,614	(17,185)	(198,747)	(74)	
FUND BALANCES - JANUARY 1	59,675	185,805	35,398	5,681	14,211	139,492	6,981	1,461	
FUND BALANCES - DECEMBER 31	<u>\$ 59,736</u>	<u>\$ 230,495</u>	<u>\$ 15,931</u>	<u>\$ 7,967</u>	<u>\$ 18,825</u>	<u>\$ 122,307</u>	<u>\$ (191,766)</u>	<u>\$ 1,387</u>	<u>\$ 0</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Sheriff's Communication, Facility and Equipment	Detention Center (Act 1188)	Boating Safety (Act 122)	Emergency 911	Drug Court	Juvenile Fees	Voting System Grant	Circuit Clerk Commissioner's Fees	County Hospital
REVENUES									
State aid			\$ 2,493			\$ 2,500			\$ 56,938
Federal aid					\$ 4,500				
Property taxes									568,743
Sales taxes									2,086,129
Fines, forfeitures, and costs		\$ 142,252			1,220				
Interest	\$ 20	25	1	\$ 439		168		\$ 16	227
Officers' fees	16,636					14,541		1,122	
Jail fees									
Emergency 911 fees				415,048					
Landfill fees									
Sale of assets									
Treasurer's commission									
Collector's commission									
Other	26,396			14		280			
TOTAL REVENUES	43,052	142,277	2,494	415,501	5,720	17,489		1,138	2,712,037
Less: Treasurer's commission	301	1,064	19	3,142	9	118		7	18,383
NET REVENUES	42,751	141,213	2,475	412,359	5,711	17,371		1,131	2,693,654
EXPENDITURES									
Current:									
General government							\$ 2,350	4,320	
Law enforcement	20,700					1,653	495		
Public safety			3,144	358,833					
Sanitation									
Social services									
Total Current	20,700		3,144	358,833	1,653	495	2,350	4,320	
Debt Service:									
Note principal									
Note interest									
TOTAL EXPENDITURES	20,700		3,144	358,833	1,653	495	2,350	4,320	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,051	141,213	(669)	53,526	4,058	16,876	(2,350)	(3,189)	2,693,654
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out		(138,912)							
Transfer of property and sales taxes to County Hospital Board									(2,411,698)
TOTAL OTHER FINANCING SOURCES (USES)		(138,912)							(2,411,698)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	22,051	2,301	(669)	53,526	4,058	16,876	(2,350)	(3,189)	281,956
FUND BALANCES - JANUARY 1	2,587	6,528	700	128,294		50,687	2,350	8,493	47,722
FUND BALANCES - DECEMBER 31	<u>\$ 24,638</u>	<u>\$ 8,829</u>	<u>\$ 31</u>	<u>\$ 181,820</u>	<u>\$ 4,058</u>	<u>\$ 67,563</u>	<u>\$ 0</u>	<u>\$ 5,304</u>	<u>\$ 329,678</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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Senior Citizens	Economic Development	Sheriff's Firing Range	Sheriff's Helicopter	Local Emergency Response Grant	Officers' Protection Equipment	County Jail Sales Tax	Juvenile Detention	Homeland Security Grants
REVENUES									
State aid	\$ 134,107								
Federal aid	274,399							\$ 16,891	\$ 6,195
Property taxes									
Sales taxes		\$ 3,220,579					\$ 1,610,290		
Fines, forfeitures, and costs									
Interest	58	20,470	\$ 1	\$ 33	\$ 2		148		
Officers' fees									
Jail fees							890,376		
Emergency 911 fees									
Landfill fees									
Sale of assets		577,089							
Treasurer's commission									
Collector's commission									
Other	56,515	144,725				\$ 16,439	40,600		
TOTAL REVENUES	465,079	3,962,863	1	33	2	16,439	2,541,414	16,891	6,195
Less: Treasurer's commission		21,645				1	18,018		
NET REVENUES	465,079	3,941,218	1	33	2	16,438	2,523,396	16,891	6,195
EXPENDITURES									
Current:									
General government		5,544,040							
Law enforcement			674	4,079		414	3,503,423	18,005	
Public safety									8,260
Sanitation									
Social services	645,026								
Total Current	645,026	5,544,040	674	4,079		414	3,503,423	18,005	8,260
Debt Service:									
Note principal									
Note interest									
TOTAL EXPENDITURES	645,026	5,544,040	674	4,079		414	3,503,423	18,005	8,260
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(179,947)	(1,602,822)	(673)	(4,046)	2	16,024	(980,027)	(1,114)	(2,065)
OTHER FINANCING SOURCES (USES)									
Transfers in	238,202						1,023,009		163
Transfers out	(60)	(44,150)		(27)			(688)		
Transfer of property and sales taxes to County Hospital Board									
TOTAL OTHER FINANCING SOURCES (USES)	238,142	(44,150)		(27)			1,022,321		163
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	58,195	(1,646,972)	(673)	(4,073)	2	16,024	42,294	(1,114)	(1,902)
FUND BALANCES - JANUARY 1	5,721	3,714,470	673	13,271	736	2,054	91,027	18,940	1,902
FUND BALANCES - DECEMBER 31	<u>\$ 63,916</u>	<u>\$ 2,067,498</u>	<u>\$ 0</u>	<u>\$ 9,198</u>	<u>\$ 738</u>	<u>\$ 18,078</u>	<u>\$ 133,321</u>	<u>\$ 17,826</u>	<u>\$ 0</u>

MISSISSIPPI COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 2

	SPECIAL REVENUE FUNDS			Totals
	Justice Assistance Grant 2011	Local Law Enforcement Block Grant	Port Security Grant Program	
REVENUES				
State aid				\$ 203,244
Federal aid	\$ 18,315	\$ 4,200		324,500
Property taxes				568,743
Sales taxes				6,916,998
Fines, forfeitures, and costs				162,430
Interest				23,130
Officers' fees				282,340
Jail fees				890,376
Emergency 911 fees				415,048
Landfill fees				3,181,760
Sale of assets				577,089
Treasurer's commission				57,581
Collector's commission				116,360
Other				290,030
TOTAL REVENUES	18,315	4,200		14,009,629
Less: Treasurer's commission				90,478
NET REVENUES	18,315	4,200		13,919,151
EXPENDITURES				
Current:				
General government				5,944,173
Law enforcement	28,083	4,200	\$ 877	3,623,484
Public safety				370,237
Sanitation				3,599,725
Social services				645,026
Total Current	28,083	4,200	877	14,182,645
Debt Service:				
Note principal				5,768
Note interest				288
TOTAL EXPENDITURES	28,083	4,200	877	14,188,701
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,768)		(877)	(269,550)
OTHER FINANCING SOURCES (USES)				
Transfers in				1,507,008
Transfers out				(183,886)
Transfer of property and sales taxes to County Hospital Board				(2,411,698)
TOTAL OTHER FINANCING SOURCES (USES)				(1,088,576)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,768)		(877)	(1,358,126)
FUND BALANCES - JANUARY 1	29,381		877	4,575,117
FUND BALANCES - DECEMBER 31	<u>\$ 19,613</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,216,991</u>

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2015

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

Fund Name	Fund Description
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
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.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
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 costs of administering Arkansas Constitution, Amendment no. 79.
County Clerk's Automation	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on a fee schedule contained in an ordinance. Mississippi County Ordinance no. 2013-15 (November 19, 2013) authorized solid waste fees for operation, maintenance, cell construction, and closure and postclosure costs for the landfill.
Child Support Collection Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Game and Fish Education	Ark. Code Ann. § 6-16-1101 established fund to receive grants to be distributed to school districts or conservation districts for the sole purpose of approved conservation education programs.
Sheriff's Communication, Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Detention Center (Act 1188)	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
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.

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2015

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

Fund Name	Fund Description
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Juvenile Fees	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the Secretary of State County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.
Circuit Clerk Commissioner's Fees	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
County Hospital	Mississippi County Ordinance no. 2006-12 (November 28, 2006) established a four mill real and personal property tax per an election by the voters for hospital purposes. Mississippi County Ordinance no. 2014-12 (July 22, 2014) established a sales tax approved by the voters for hospital purposes.
Senior Citizens	Established to account for federal and state funds received to maintain the Senior Citizens Center and provide services to seniors.
Economic Development	Mississippi County Ordinance no. 2010-9 (May 25, 2010) provided for the levy of a one-half percent sales tax as decided by the voters for economic development purposes. State and Federal grants are also received for economic development purposes.
Sheriff's Firing Range	Established to account for donations to be used for the firing range.
Sheriff's Helicopter	Established to account for donations to be used for sheriff and helicopter expenses.
Local Emergency Response Grant	Established to account for grants received to be used for the Office of Emergency Services.
Officers' Protection Equipment	Established to account for donations received for the purchase of police firearms and ammunition.

MISSISSIPPI COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2015

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

Fund Name	Fund Description
County Jail Sales Tax	Mississippi County Ordinance no. O-98-11 (July 28, 1998) provided for a one eighth of one percent sales and use tax as decided by the voters to be designated for the purpose of financing the operation and maintenance of court facilities, jails, juvenile facilities, and Sheriff's stations. The County includes jail fee revenue in this fund as well as a reimbursements of restricted sales tax revenue spent to house prisoners.
Juvenile Detention	Established to account for grants received from the Arkansas Department of Finance and Administration to supplement juvenile detention facilities operations.
Homeland Security Grants	Established to account for grants received form Arkansas Department of Emergency Management for the purpose of purchasing equipment.
Justice Assistance Grant 2011	Established to account for grant to provide local governments with funding to support a range of program areas including law enforcement, prosecution and courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, and crime victim and witness initiatives.
Local Law Enforcement Block Grant	Established to account for Department of Justice grant to assist local law enforcement agencies.
Port Security Grant Program	Established to account for federal grant received to support increased port-wide risk management; enhanced domain awareness; training and exercises; expansion of port recovery and resiliency capabilities; and capabilities to prevent, detect, respond to, recover from, and mitigate attacks involving improvised explosive devices (IEDs) and other non-conventional weapons.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and law library monies 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, and inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with Treasurer and payroll related withholdings.

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

County Judge's accounts consist primarily of landfill monies.

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

Senior Citizens account consists of petty cash used for Senior Citizen program.

MISSISSIPPI COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2015
(Unaudited)

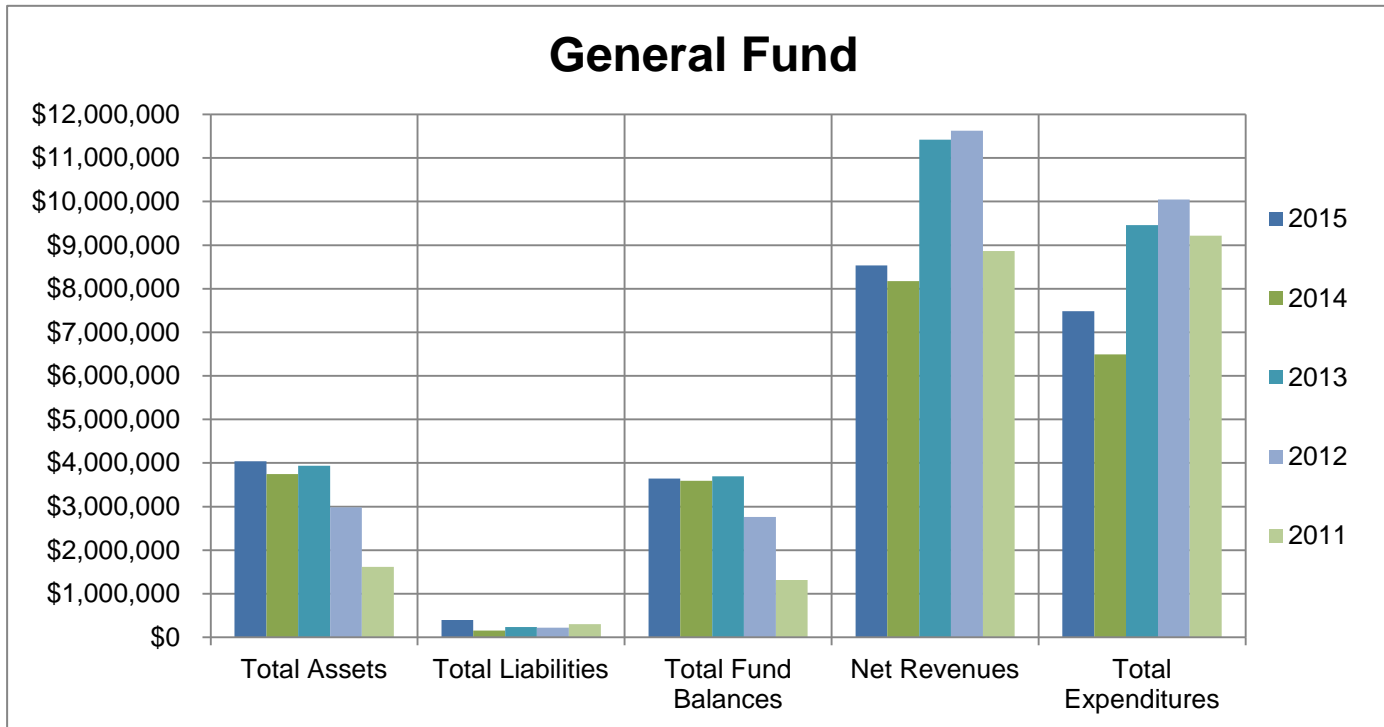
Schedule 3

	<u>December 31, 2015</u>
Land	\$ 3,007,018
Buildings	18,303,159
Equipment	<u>10,564,992</u>
Total	<u>\$ 31,875,169</u>

MISSISSIPPI COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2015
 (Unaudited)

Schedule 4-1

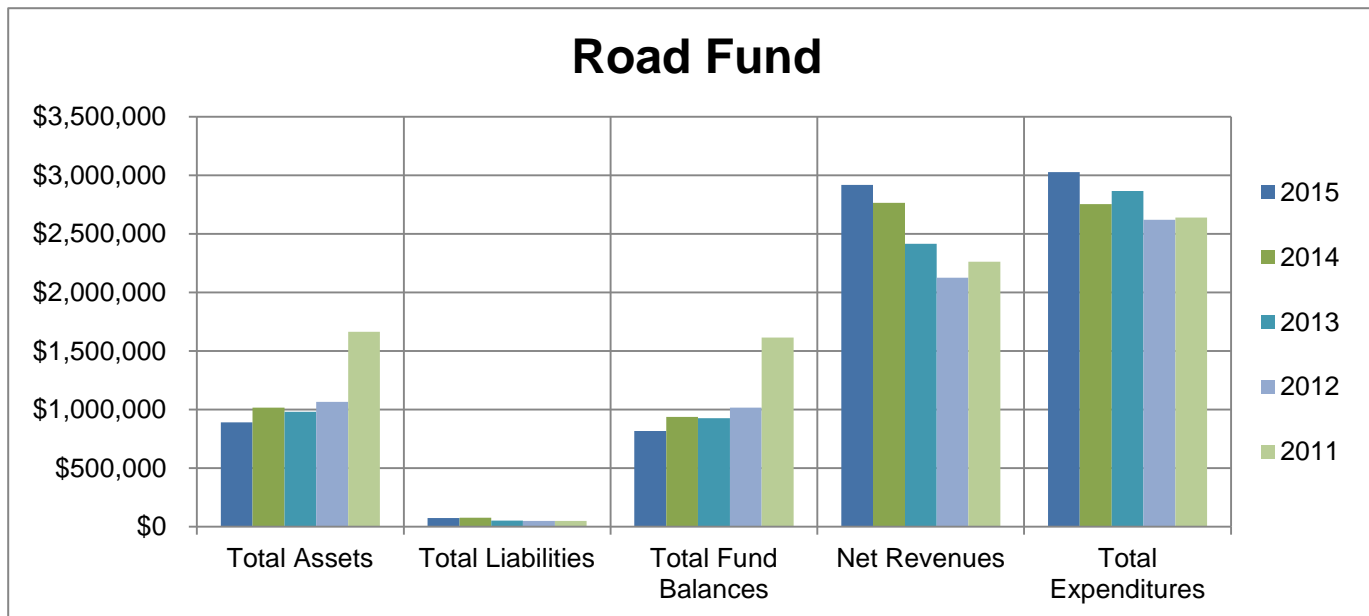
General	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Assets	\$ 4,036,554	\$ 3,743,557	\$ 3,934,339	\$ 2,979,037	\$ 1,612,772
Total Liabilities	396,905	153,788	238,511	217,798	300,366
Total Fund Balances	3,639,649	3,589,769	3,695,828	2,761,239	1,312,406
Net Revenues	8,536,955	8,171,406	11,423,838	11,623,343	8,864,586
Total Expenditures	7,482,438	6,492,921	9,458,422	10,044,534	9,218,252
Total Other Financing Sources/Uses	(1,059,182)	(1,615,233)	(1,030,827)	(106,757)	(617,313)



MISSISSIPPI COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2015
 (Unaudited)

Schedule 4-2

<u>Road</u>	2015	2014	2013	2012	2011
Total Assets	\$ 892,283	\$ 1,017,041	\$ 980,335	\$ 1,066,950	\$ 1,665,576
Total Liabilities	75,559	78,173	51,995	50,303	50,426
Total Fund Balances	816,724	938,868	928,340	1,016,647	1,615,150
Net Revenues	2,918,291	2,766,321	2,414,881	2,126,489	2,263,065
Total Expenditures	3,026,495	2,755,793	2,865,994	2,619,589	2,639,596
Total Other Financing Sources/Uses	(13,940)		362,806	(15,710)	26,807



MISSISSIPPI COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2015
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Assets	\$ 8,488,615	\$ 9,083,202	\$ 13,780,069	\$ 13,662,654	\$ 11,622,036
Total Liabilities	5,271,624	4,503,511	1,932,228	3,169,162	1,888,957
Total Fund Balances	3,216,991	4,579,691	11,847,841	10,493,492	9,733,079
Net Revenues	13,919,151	11,183,037	8,600,032	9,237,923	12,251,144
Total Expenditures	14,188,701	19,690,154	7,724,303	9,466,407	14,519,893
Total Other Financing Sources/Uses	(1,088,576)	1,069,656	474,145	1,018,497	590,506

