

Mississippi County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



MISSISSIPPI COUNTY, ARKANSAS
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Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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 Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Mississippi County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis 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, 2021; 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.

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 section of our report, the accompanying regulatory basis 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 the general fund, road fund, and other funds in the aggregate of Mississippi County, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 and pervasive.

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 Governmental Accounting Standards Board. However, under the regulatory basis, these funds are not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The 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, CFF
Legislative Auditor

Little Rock, Arkansas
November 30, 2022
LOCO04721

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Mississippi County, Arkansas (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated November 30, 2022. 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.

Report on 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) as a basis for designing 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.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

We also reported to management of the County in a separate letter dated November 30, 2022.

Purpose of This Report

The purpose of this report is solely to described the scope of our testing of internal control and compliance and the results 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

A handwritten signature in black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
November 30, 2022

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2021:

County Judge: John Alan Nelson
Treasurer: Peggy Meatte
Sheriff: Dale Cook
Tax Collector: Susan McCormick
County Clerk: Janice Currie
Circuit Clerk: Leslie Mason
Assessor: Harley Bradley

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, reading "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
November 30, 2022

MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 10,248,367	\$ 3,121,469	\$ 23,765,173
Investments			886,335
Accounts receivable	322,956	21,889	461,970
Interfund receivables			1,434,817
	<u>10,571,323</u>	<u>3,143,358</u>	<u>26,548,295</u>
TOTAL ASSETS	<u>\$ 10,571,323</u>	<u>\$ 3,143,358</u>	<u>\$ 26,548,295</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 125,849	\$ 47,334	\$ 263,184
Interfund payables	1,434,817		
Settlements pending		642	2,132,356
Total Liabilities	<u>1,560,666</u>	<u>47,976</u>	<u>2,395,540</u>
Fund Balances:			
Restricted		3,095,382	24,166,385
Assigned	8,924		
Unassigned	9,001,733		(13,630)
Total Fund Balances	<u>9,010,657</u>	<u>3,095,382</u>	<u>24,152,755</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,571,323</u>	<u>\$ 3,143,358</u>	<u>\$ 26,548,295</u>

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, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 655,327	\$ 2,315,558	\$ 434,865
Federal aid	7,143		4,962,606
Property taxes	5,274,230	1,319,350	730,721
Sales taxes	2,563,185		10,981,138
Fines, forfeitures, and costs	699,554		130,270
Interest	42,316	16,524	116,213
Officers' fees	128,921		300,748
Franchise fees	6,182		
Jail fees			389,024
Emergency 911 fees			817,174
Landfill fees			3,536,352
Gain/(loss) on investments			(16,360)
Treasurer's commission	223,746		64,404
Collector's commission	332,597		137,917
Taxes apportioned - Assessor's salary and expense	716,598		
Other	494,804	23,081	68,465
TOTAL REVENUES	11,144,603	3,674,513	22,653,537
Less: Treasurer's commission	83,880	32,073	109,334
NET REVENUES	11,060,723	3,642,440	22,544,203
EXPENDITURES			
Current:			
General government	3,530,631		7,416,555
Law enforcement	5,394,073		2,618,073
Highways and streets		3,099,683	3,443
Public safety	40,962		354,170
Sanitation			2,564,774
Health	121,093		65,101
Social services	478,274		322,498
Economic development			814,162
Total Current	9,565,033	3,099,683	14,158,776
Debt Service:			
Bond principal			614,925
Bond interest and other charges			698,355
Lease principal		55,996	
Lease interest		7,139	
TOTAL EXPENDITURES	9,565,033	3,162,818	15,472,056

MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,495,690</u>	<u>\$ 479,622</u>	<u>\$ 7,072,147</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			386,876
Transfers out			(386,876)
Transfer of property and sales taxes and federal aid to County Hospital Board			(4,493,969)
Transfer of property and sales taxes to County Library			<u>(989,504)</u>
TOTAL OTHER FINANCING SOURCES (USES)			<u>(5,483,473)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,495,690	479,622	1,588,674
FUND BALANCES - JANUARY 1	<u>7,514,967</u>	<u>2,615,760</u>	<u>22,564,081</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 9,010,657</u></u>	<u><u>\$ 3,095,382</u></u>	<u><u>\$ 24,152,755</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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 576,608	\$ 655,327	\$ 78,719	\$ 1,915,331	\$ 2,315,558	\$ 400,227
Federal aid	9,000	7,143	(1,857)			
Property taxes	4,232,830	5,274,230	1,041,400	1,036,327	1,319,350	283,023
Sales taxes	1,950,677	2,563,185	612,508			
Fines, forfeitures, and costs	483,996	699,554	215,558			
Interest	9,000	42,316	33,316	3,420	16,524	13,104
Officers' fees	91,839	128,921	37,082			
Franchise fees	7,004	6,182	(822)			
Treasurer's commission		223,746	223,746			
Collector's commission	220,500	332,597	112,097			
Taxes apportioned - Assessor's salary and expense	580,227	716,598	136,371			
Other	401,353	494,804	93,451	33,663	23,081	(10,582)
TOTAL REVENUES	8,563,034	11,144,603	2,581,569	2,988,741	3,674,513	685,772
Less: Treasurer's commission	45,000	83,880	(38,880)	25,043	32,073	(7,030)
NET REVENUES	8,518,034	11,060,723	2,542,689	2,963,698	3,642,440	678,742
EXPENDITURES						
Current:						
General government	3,601,645	3,530,631	71,014			
Law enforcement	4,388,025	5,394,073	(1,006,048)			
Highways and streets				3,163,088	3,099,683	63,405
Public safety	40,962	40,962	0			
Health	121,093	121,093	0			
Social services	164,472	478,274	(313,802)			
Total Current	8,316,197	9,565,033	(1,248,836)	3,163,088	3,099,683	63,405
Debt Service:						
Lease principal					55,996	(55,996)
Lease interest					7,139	(7,139)
TOTAL EXPENDITURES	8,316,197	9,565,033	(1,248,836)	3,163,088	3,162,818	270

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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 201,837	\$ 1,495,690	\$ 1,293,853	\$ (199,390)	\$ 479,622	\$ 679,012
OTHER FINANCING SOURCES (USES)						
Transfers in	351,038		(351,038)			
Transfers out	(3,213,025)		3,213,025			
TOTAL OTHER FINANCING SOURCES (USES)	(2,861,987)		2,861,987			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,660,150)	1,495,690	4,155,840	(199,390)	479,622	679,012
FUND BALANCES - JANUARY 1		7,514,967	7,514,967		2,615,760	2,615,760
FUND BALANCES - DECEMBER 31	\$ (2,660,150)	\$ 9,010,657	\$ 11,670,807	\$ (199,390)	\$ 3,095,382	\$ 3,294,772

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

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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: 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

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.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

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.

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. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Enterprise Funds). See Schedules 1 and 2 for the Capital Projects Fund reported with other funds in the aggregate.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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, as well as county sales taxes, 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. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. 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. Pension trust funds are reported in a separate column as part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market accounts, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

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.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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)	\$ 2,039,758	\$ 2,047,512
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	34,337,063	35,295,838
Uncollateralized	755,243	755,243
Total Deposits	<u>\$ 37,132,064</u>	<u>\$ 38,098,593</u>

The above total deposits do not include cash on hand of \$2,945.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2: Cash Deposits with Financial Institutions (Continued)

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 City does not have a deposit policy for custodial credit risk. As of December 31, 2021, \$755,243 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of federated treasury obligations, which are not insured or collateralized.

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: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	<u>December 31, 2021</u> Fair Value
Landfill	<u>\$ 886,335</u>

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)

The County's investments are composed of the following:

<u>December 31, 2021</u> Investment Type	Other Observable Inputs Level II
United States Treasury Bonds	<u>\$ 886,335</u>

U.S. Government, mortgage-backed and corporate bonds are valued at fair value using quoted market prices from third parties that use, as their basis readily observable market inputs, such as yields of similar instruments with comparable inputs. As a result, these were classified as Level II inputs.

Other required disclosures for investments:

- **Interest Rate Risk** – Interest rate risk is the risk that the value of investments will be reduced when market interest rates climb higher than the interest rate of the investment. The County's investments subject to interest rate risk was \$886,335 (100%).

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 11,403
Federal aid			17,456
Property taxes	\$ 141,420	\$ 16,808.00	16,581
Fines, forfeitures, and costs	29,008		7,857
Interest	982	432	2,364
Officers' fees	4,281		25,287
Jail fees			24,877
Emergency 911 fees			7,062
Landfill fees			340,721
Collector's commission	5,062		
Taxes apportioned - Assessor's salary and expense	12,432		
Other	129,771	4,649	8,362
Totals	<u>\$ 322,956</u>	<u>\$ 21,889</u>	<u>\$ 461,970</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 125,849</u>	<u>\$ 47,334</u>	<u>\$ 263,184</u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund		\$ 1,434,817
Other Funds in the Aggregate:		
Special Revenue Funds:		
American Rescue Plan Act	<u>\$ 1,434,817</u>	
Totals	<u>\$ 1,434,817</u>	<u>\$ 1,434,817</u>

Interfund receivables and payables consist of expenditures for the American Rescue Plan Act Funds that were spent subsequent to December 31, 2021. These balances are expected to be repaid when American Rescue Plan Act funds are spent in the subsequent year.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 4,512,546
Law enforcement			176,698
Highways and streets		\$ 3,095,382	
Public safety			1,151,174
Sanitation			2,477,208
Health			16,212
Recreation and culture			4
Social services			75,364
Economic development			12,355,783
Capital outlay			2,613,822
Debt service			787,574
Total Restricted		<u>3,095,382</u>	<u>24,166,385</u>
Assigned to:			
General government	\$ 2,825		
Law enforcement	<u>6,099</u>		
Total Assigned	<u>8,924</u>		
Unassigned	<u>9,001,733</u>		<u>(13,630)</u>
Totals	<u>\$ 9,010,657</u>	<u>\$ 3,095,382</u>	<u>\$ 24,152,755</u>

NOTE 9: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2021:

December 31,
2021

Other Funds in the Aggregate:

Special Revenue Funds:

 County Jail Sales Tax \$ (13,630)

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: 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, 2021, the legal debt limit for bonded debt was \$65,471,560. 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, 2021, the legal debt limit for short-term financing obligations was \$18,651,187. The amount of short-term financing obligations was \$136,296 leaving a legal debt margin of \$18,514,891.

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2021:

	December 31, 2021
Long-term liabilities	\$ 21,137,380
Noncancellable leases	868,969
Reappraisal contract	163,182
Construction contract	<u>266,845</u>
Total Commitments	<u>\$ 22,436,376</u>

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	December 31, 2021
<u>Bonds</u>	
Mississippi County Sales and Use Tax Bonds of \$17,635,000 dated May 21, 2019; due in semi-annual installments of \$16,116 to \$971,116 plus interest through December 31, 2049; interest at 3.375-5%. Payments are to be made from the Courthouse Construction Sales Tax Bond Fund.	\$ 17,310,000
Solid Waste Revenue Bond of \$2,884,000 dated June 2, 2016, through the Arkansas Natural Resources Commission, due in semi-annual installments of \$165,918 through June 1, 2026, interest rate 2.75%. Payments are to be made from the Arkansas Natural Resources Commission Solid Waste Revenue Bond Fund.	1,306,111
Total Bonds	<u>18,616,111</u>
<u>Direct Borrowings</u>	
The County entered into a capital lease agreement for \$118,350 for a Caterpillar Motor Grader on April 30, 2018. Terms are 60 monthly payments of \$2,209 at 4.55% interest, with a \$1 balloon payment added to the final payment. Payments are to be made from the Road Fund.	38,186
The County entered into a capital lease agreement for \$153,418 for a Caterpillar Hydraulic Excavator on February 12, 2020. Terms of the lease are 60 monthly payments of \$2,815 at 3.85% interest, with a \$1 balloon payment added to the final payment. Payments are to be made from the Road Fund.	98,110
Total Direct Borrowings	<u>136,296</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	194,574
Landfill closure and postclosure care costs	<u>2,190,399</u>
Total Long-term liabilities	<u>\$ 21,137,380</u>

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

The County's outstanding bonds payable of \$17,310,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The County's outstanding bonds payable of \$1,306,111 contain a provision that in an event of default, the Trustee may by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief of law or equity available under the Constitution and laws of the State.

The County's outstanding capital leases from direct borrowings of \$136,296 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: Commitments (Continued)

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 closure and postclosure care cost had a balance of \$2,190,399 as of December 31, 2021, which is based on 26% use of the class one landfill and 7% use of the class four landfill's capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$6,912,679 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulation.

The County has set aside \$982,089 in a Trust Fund as a restricted fund balance intended for closure and postclosure care costs.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Bonds</u>					
5/21/19	12/31/49	3.375-5%	\$ 17,635,000	\$ 17,310,000	\$ 325,000
6/2/16	6/1/26	2.75%	2,884,000	1,306,111	1,577,889
Total Bonds			<u>20,519,000</u>	<u>18,616,111</u>	<u>1,902,889</u>
<u>Direct Borrowings</u>					
4/30/18	6/10/23	4.55%	118,350	38,186	80,164
2/12/20	2/12/25	3.85%	153,418	98,110	55,308
Total Direct Borrowings			<u>271,768</u>	<u>136,296</u>	<u>135,472</u>
Total Long-Term Debt			<u>\$ 20,790,768</u>	<u>\$ 18,752,407</u>	<u>\$ 2,038,361</u>

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 19,231,036	\$ 0	\$ 614,925	\$ 18,616,111
<u>Direct Borrowings</u>				
Capital leases	192,292	0	55,996	136,296
Total Long-Term Debt	<u>\$ 19,423,328</u>	<u>\$ 0</u>	<u>\$ 670,921</u>	<u>\$ 18,752,407</u>

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 637,952	\$ 673,703	\$ 1,311,655	\$ 53,124	\$ 4,351	\$ 57,475
2023	661,203	648,077	1,309,280	44,669	2,367	47,036
2024	689,681	621,349	1,311,030	32,888	892	33,780
2025	718,394	593,386	1,311,780	5,615	16	5,631
2026	478,881	567,647	1,046,528			
2027 through 2031	2,330,000	2,566,944	4,896,944			
2032 through 2036	2,835,000	2,051,444	4,886,444			
2037 through 2041	3,430,000	1,450,025	4,880,025			
2042 through 2046	4,060,000	819,787	4,879,787			
2045 through 2049	2,775,000	142,509	2,917,509			
Totals	<u>\$18,616,111</u>	<u>\$10,134,871</u>	<u>\$28,750,982</u>	<u>\$ 136,296</u>	<u>\$ 7,626</u>	<u>\$ 143,922</u>

Noncancellable Lease

The County entered into a noncancellable lease for two Caterpillar Road Graders on July 31, 2019. Terms of the lease are monthly rental payments of \$3,800 for 36 months. Payments are made out of the Road Fund.

The County entered into a noncancellable lease for a John Deere Row Crop Tractor on June 21, 2019. Terms of the lease are monthly rental payments of \$3,193 for 36 months. Payments are made from the Solid Waste Fund.

The County entered into a noncancellable lease for one Caterpillar Track Loader on June 16, 2020. Terms of the lease are monthly rental payments of \$6,968 for 36 months. Payments are made out of the Solid Waste Fund.

The County entered into a noncancellable lease for one Caterpillar Compactor on January 8, 2020. Terms of the lease are monthly rental payments of \$13,633 for 36 months. Payments are made out of the Solid Waste Fund.

The County entered into a noncancellable lease agreement for five (5) Western Star Trucks on June 15, 2021. Terms of the lease are monthly rental payments of \$7,831 for 36 months. Payments are made from the Road Fund.

The County entered into a noncancellable lease for one Caterpillar Track Type Tractor on July 28, 2021. Terms of the lease are monthly rental payments of \$9,419 for 36 months. Payments are made out of the Solid Waste Fund.

Year	December 31, 2021
2022	\$ 500,575
2023	255,474
2024	<u>112,920</u>
Total	<u>\$ 868,969</u>

Rental expense for 2021 was \$585,316.

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal on October 26, 2017, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$16,318 for a total of \$979,080 beginning November 2017. Contract expense for 2021 was \$195,818.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: Commitments

The County is obligated for the following amounts at December 31, 2021:

<u>Year</u>	<u>December 31, 2021</u>
2022	<u>\$ 163,182</u>

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2021:

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance December 31, 2021</u>
Mississippi County Courthouse Construction Project	December 31, 2022	<u>\$ 266,845</u>

NOTE 12: Interfund Transfers

Within Other Funds in the Aggregate, Solid Waste Fund transferred \$332,336 to the Arkansas Natural Resources Commission Solid Waste Revenue Bond Fund and \$54,540 to the Landfill Fund for solid waste debt and operational purposes, respectively.

NOTE 13: Pledged Revenues

The County pledged future .5% sales and use taxes to repay \$17,635,000 in bonds that were issued in 2019 to provide funding for renovation and improvement of the Blytheville and Osceola Courthouses. Total principal and interest remaining on the bonds are \$17,310,000 and \$10,048,879, respectively, payable through December 31, 2049. For 2021, principal and interest paid were \$325,000 and \$656,444, respectively.

The Debt Service Fund received \$990,840 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for financing capital improvements for the County courthouses.

The County pledged future landfill fees to repay \$2,884,000 in Solid Waste Revenue Bonds that were issued in 2016 to provide funding for the costs of acquiring, constructing, and equipping a waste disposal cell and ancillary facilities for the County's landfill. Total principal and interest remaining on the bonds are \$1,306,111 and \$85,992, respectively, payable through December 31, 2026. For 2021, principal and interest paid were \$289,925 and \$41,911, respectively.

The Solid Waste Fund received \$3,536,352 in landfill fees in 2021. Any landfill fees collected in excess of debt service payments on these bonds is permitted to be used for landfill related purposes.

NOTE 14: Joint Venture: Regional Library

Mississippi and Crittenden Counties entered into an agreement on July 23, 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 of 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 2021. Contact the Mississippi County/Crittenden County Regional Library at 200 North 5th Street, Blytheville, Arkansas 72315 to obtain financial statements.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15: Risk Management

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

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

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

Vehicle Program

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

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

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 \$300,000 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 16: 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 June 30, 2021 (date of APERS Employer Allocation Report) were \$1,108,348.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$2,785,455.

NOTE 17: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19).- The County was awarded \$7,895,980 in federal aid from the American Rescue Plan Act of 2021. In 2021 and 2022, the County received funds in the amount of \$3,947,990 and \$3,947,990, respectively. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

Note 18: Subsequent Events

The County issued checks in the amount of \$2,500,000 on April 8, 2022 and \$1,000,000 on August 1, 2022 to Big River Steel from the Economic Development Fund. The money is to be used for land and infrastructure costs.

Note 19: Federal Funds Program Compliance

The federal grants of the County have not yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. However, a federal compliance audit is currently being conducted. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

MISSISSIPPI COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk Automation	County Recorder's Cost	County Library	Solid Waste	Child Support Collection Costs
ASSETS									
Cash and cash equivalents	\$ 113,561	\$ 243,082	\$ 12,867	\$ 22,518	\$ 18,863	\$ 159,786		\$ 1,263,764	\$ 1,119
Investments									
Accounts receivable	36	53	409	8	551	23,664	\$ 4	343,083	
Interfund receivables									
TOTAL ASSETS	<u>\$ 113,597</u>	<u>\$ 243,135</u>	<u>\$ 13,276</u>	<u>\$ 22,526</u>	<u>\$ 19,414</u>	<u>\$ 183,450</u>	<u>\$ 4</u>	<u>\$ 1,606,847</u>	<u>\$ 1,119</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 69	\$ 882				\$ 5,571		\$ 111,728	
Settlements pending									
Total Liabilities	<u>69</u>	<u>882</u>				<u>5,571</u>		<u>111,728</u>	
Fund Balances:									
Restricted	113,528	242,253	\$ 13,276	\$ 22,526	\$ 19,414	177,879	\$ 4	1,495,119	\$ 1,119
Unassigned									
Total Fund Balances	<u>113,528</u>	<u>242,253</u>	<u>13,276</u>	<u>22,526</u>	<u>19,414</u>	<u>177,879</u>	<u>4</u>	<u>1,495,119</u>	<u>1,119</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 113,597</u>	<u>\$ 243,135</u>	<u>\$ 13,276</u>	<u>\$ 22,526</u>	<u>\$ 19,414</u>	<u>\$ 183,450</u>	<u>\$ 4</u>	<u>\$ 1,606,847</u>	<u>\$ 1,119</u>

MISSISSIPPI COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS								
	Communication Facility and Equipment	Drug Control	Jail Operation and Maintenance (Act 1188)	Boating Safety and Enforcement	Emergency 911	Drug Court Program	Circuit Court Juvenile Division	Circuit Court Commissioner's Fee
ASSETS								
Cash and cash equivalents	\$ 13,770	\$ 15,575	\$ 10,444	\$ 719	\$ 1,143,872	\$ 8,493	\$ 68,433	\$ 11,821
Investments								
Accounts receivable	1,340	3,089	4,365		7,758		1,090	96
Interfund receivables								
TOTAL ASSETS	<u>\$ 15,110</u>	<u>\$ 18,664</u>	<u>\$ 14,809</u>	<u>\$ 719</u>	<u>\$ 1,151,630</u>	<u>\$ 8,493</u>	<u>\$ 69,523</u>	<u>\$ 11,917</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 144			\$ 719	\$ 1,246		\$ 598	\$ 54
Settlements pending								
Total Liabilities	<u>144</u>			<u>719</u>	<u>1,246</u>		<u>598</u>	<u>54</u>
Fund Balances:								
Restricted	14,966	\$ 18,664	\$ 14,809		1,150,384	\$ 8,493	68,925	11,863
Unassigned								
Total Fund Balances	<u>14,966</u>	<u>18,664</u>	<u>14,809</u>		<u>1,150,384</u>	<u>8,493</u>	<u>68,925</u>	<u>11,863</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,110</u>	<u>\$ 18,664</u>	<u>\$ 14,809</u>	<u>\$ 719</u>	<u>\$ 1,151,630</u>	<u>\$ 8,493</u>	<u>\$ 69,523</u>	<u>\$ 11,917</u>

MISSISSIPPI COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS							
	Assessor's Late Assessment Fee	American Rescue Plan Act	County Hospital	Senior Citizens	Economic Development	Local Emergency Response Grant	Officers' Protection Equipment	County Jail Sales Tax
ASSETS								
Cash and cash equivalents	\$ 3,319	\$ 2,485,658		\$ 58,731	\$ 12,395,196	\$ 790	\$ 25	\$ 39,560
Investments								
Accounts receivable			\$ 16,584	30,322	1,460			28,058
Interfund receivables		1,434,817						
TOTAL ASSETS	<u>\$ 3,319</u>	<u>\$ 3,920,475</u>	<u>\$ 16,584</u>	<u>\$ 89,053</u>	<u>\$ 12,396,656</u>	<u>\$ 790</u>	<u>\$ 25</u>	<u>\$ 67,618</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 13,689	\$ 40,873			\$ 81,248
Settlements pending			\$ 372					
Total Liabilities			<u>372</u>	<u>13,689</u>	<u>40,873</u>			<u>81,248</u>
Fund Balances:								
Restricted	\$ 3,319	\$ 3,920,475	16,212	75,364	12,355,783	\$ 790	\$ 25	
Unassigned								(13,630)
Total Fund Balances	<u>3,319</u>	<u>3,920,475</u>	<u>16,212</u>	<u>75,364</u>	<u>12,355,783</u>	<u>790</u>	<u>25</u>	<u>(13,630)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,319</u>	<u>\$ 3,920,475</u>	<u>\$ 16,584</u>	<u>\$ 89,053</u>	<u>\$ 12,396,656</u>	<u>\$ 790</u>	<u>\$ 25</u>	<u>\$ 67,618</u>

MISSISSIPPI COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS	
	Juvenile Detention Grant	Justice Administration Grant	Historic Preservation Grant	Mental Health Grant	Landfill	Courthouse Construction	Resources Commission Solid Waste Revenue Bond	Courthouse Construction Sales Tax Bond
ASSETS								
Cash and cash equivalents	\$ 5,911	\$ 31,949	\$ 170	\$ 2,076	\$ 95,754	\$ 2,617,789	\$ 31,276	\$ 756,298
Investments					886,335			
Accounts receivable								
Interfund receivables								
TOTAL ASSETS	<u>\$ 5,911</u>	<u>\$ 31,949</u>	<u>\$ 170</u>	<u>\$ 2,076</u>	<u>\$ 982,089</u>	<u>\$ 2,617,789</u>	<u>\$ 31,276</u>	<u>\$ 756,298</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 320		\$ 2,076		\$ 3,967		
Settlements pending								
Total Liabilities		<u>320</u>		<u>2,076</u>		<u>3,967</u>		
Fund Balances:								
Restricted	\$ 5,911	31,629	\$ 170		\$ 982,089	2,613,822	\$ 31,276	\$ 756,298
Unassigned								
Total Fund Balances	<u>5,911</u>	<u>31,629</u>	<u>170</u>		<u>982,089</u>	<u>2,613,822</u>	<u>31,276</u>	<u>756,298</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,911</u>	<u>\$ 31,949</u>	<u>\$ 170</u>	<u>\$ 2,076</u>	<u>\$ 982,089</u>	<u>\$ 2,617,789</u>	<u>\$ 31,276</u>	<u>\$ 756,298</u>

MISSISSIPPI COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	CUSTODIAL FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Other Custodial Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 357,279	\$ 954,633	\$ 119,566	\$ 62,835	\$ 276,565	\$ 361,106	\$ 23,765,173
Investments							886,335
Accounts receivable							461,970
Interfund receivables							1,434,817
TOTAL ASSETS	<u>\$ 357,279</u>	<u>\$ 954,633</u>	<u>\$ 119,566</u>	<u>\$ 62,835</u>	<u>\$ 276,565</u>	<u>\$ 361,106</u>	<u>\$ 26,548,295</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 263,184
Settlements pending	\$ 357,279	\$ 954,633	\$ 119,566	\$ 62,835	\$ 276,565	\$ 361,106	2,132,356
Total Liabilities	<u>357,279</u>	<u>954,633</u>	<u>119,566</u>	<u>62,835</u>	<u>276,565</u>	<u>361,106</u>	<u>2,395,540</u>
Fund Balances:							
Restricted							24,166,385
Unassigned							(13,630)
Total Fund Balances							<u>24,152,755</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 357,279</u>	<u>\$ 954,633</u>	<u>\$ 119,566</u>	<u>\$ 62,835</u>	<u>\$ 276,565</u>	<u>\$ 361,106</u>	<u>\$ 26,548,295</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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk Automation	County Recorder's Cost	County Library	Solid Waste
REVENUES								
State aid				\$ 11,651				
Federal aid								
Property taxes							\$ 32	
Sales taxes							998,285	
Fines, forfeitures, and costs			\$ 11,006					
Interest	\$ 432	\$ 764	132	130	\$ 87	\$ 831	99	\$ 6,099
Officers' fees					6,997	278,205		
Jail fees								
Emergency 911 fees								
Landfill fees								3,536,352
Gain/(loss) on investments								
Treasurer's commission	64,404							
Collector's commission		137,917						
Other		32	28			69		9,814
TOTAL REVENUES	64,836	138,713	11,166	11,781	7,084	279,105	998,416	3,552,265
Less: Treasurer's commission			102		62	2,361	8,933	31,365
NET REVENUES	64,836	138,713	11,064	11,781	7,022	276,744	989,483	3,520,900
EXPENDITURES								
Current:								
General government	14,063	54,336		1,380		216,278		
Law enforcement			27,658					
Highways and streets								
Public safety								
Sanitation								2,562,129
Health								
Social services								
Economic development								
Total Current	14,063	54,336	27,658	1,380		216,278		2,562,129
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	14,063	54,336	27,658	1,380		216,278		2,562,129
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	50,773	84,377	(16,594)	10,401	7,022	60,466	989,483	958,771
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								(386,876)
Transfer of property and sales taxes and federal aid to County Hospital Board								
Transfer of property and sales taxes to County Library							(989,504)	
TOTAL OTHER FINANCING SOURCES (USES)							(989,504)	(386,876)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	50,773	84,377	(16,594)	10,401	7,022	60,466	(21)	571,895
FUND BALANCES - JANUARY 1	62,755	157,876	29,870	12,125	12,392	117,413	25	923,224
FUND BALANCES - DECEMBER 31	\$ 113,528	\$ 242,253	\$ 13,276	\$ 22,526	\$ 19,414	\$ 177,879	\$ 4	\$ 1,495,119

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Reappraisal Cost	Child Support Collection Costs	Communication Facility and Equipment	Drug Control	Jail Operation and Maintenance (Act 1188)	Boating Safety and Enforcement	Emergency 911	Drug Court Program
REVENUES								
State aid	\$ 195,818					\$ 2,249	\$ 10,638	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs				\$ 16,998	\$ 100,706			
Interest		\$ 6	\$ 37	1	22	2	4,841	
Officers' fees		202						\$ 1,075
Jail fees			88,581					
Emergency 911 fees							817,174	
Landfill fees								
Gain/(loss) on investments								
Treasurer's commission								
Collector's commission								
Other			348				1,427	
TOTAL REVENUES	195,818	208	88,966	16,999	100,728	2,251	834,080	1,075
Less: Treasurer's commission		2	119	124	866	20	7,394	10
NET REVENUES	195,818	206	88,847	16,875	99,862	2,231	826,686	1,065
EXPENDITURES								
Current:								
General government	195,818	53						
Law enforcement			80,052	3,991	86,333			539
Highways and streets								
Public safety						2,263	351,486	
Sanitation								
Health								
Social services								
Economic development								
Total Current	195,818	53	80,052	3,991	86,333	2,263	351,486	539
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	195,818	53	80,052	3,991	86,333	2,263	351,486	539
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES		153	8,795	12,884	13,529	(32)	475,200	526
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Transfer of property and sales taxes and federal aid to County Hospital Board								
Transfer of property and sales taxes to County Library								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES		153	8,795	12,884	13,529	(32)	475,200	526
FUND BALANCES - JANUARY 1		966	6,171	5,780	1,280	32	675,184	7,967
FUND BALANCES - DECEMBER 31	\$ 0	\$ 1,119	\$ 14,966	\$ 18,664	\$ 14,809	\$ 0	\$ 1,150,384	\$ 8,493

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Circuit Court Juvenile Division	Circuit Court Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	County Hospital	Senior Citizens	Economic Development	Local Emergency Response Grant
REVENUES								
State aid			\$ 1,198		\$ 51,798	\$ 144,622		
Federal aid				\$ 3,947,990	750,000	194,595		
Property taxes					730,689			
Sales taxes					3,002,301		\$ 3,993,141	
Fines, forfeitures, and costs								
Interest	\$ 387	\$ 92		676	542	146	78,843	\$ 4
Officers' fees	14,104	165						
Jail fees								
Emergency 911 fees								
Landfill fees								
Gain/(loss) on investments								
Treasurer's commission								
Collector's commission								
Other	1,050					25,035	56	
TOTAL REVENUES	15,541	257	1,198	3,948,666	4,535,330	364,398	4,072,040	4
Less: Treasurer's commission	121	1	11		33,463	3,271		
NET REVENUES	15,420	256	1,187	3,948,666	4,501,867	361,127	4,072,040	4
EXPENDITURES								
Current:								
General government		432		6,895				
Law enforcement	11,309			13,127				
Highways and streets				3,443				
Public safety				421				
Sanitation				1,695				
Health								
Social services				2,610		319,888		
Economic development							814,162	
Total Current	11,309	432		28,191		319,888	814,162	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	11,309	432		28,191		319,888	814,162	
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	4,111	(176)	1,187	3,920,475	4,501,867	41,239	3,257,878	4
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Transfer of property and sales taxes and federal aid to County Hospital Board					(4,493,969)			
Transfer of property and sales taxes to County Library								
TOTAL OTHER FINANCING SOURCES (USES)					(4,493,969)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	4,111	(176)	1,187	3,920,475	7,898	41,239	3,257,878	4
FUND BALANCES - JANUARY 1	64,814	12,039	2,132		8,314	34,125	9,097,905	786
FUND BALANCES - DECEMBER 31	\$ 68,925	\$ 11,863	\$ 3,319	\$ 3,920,475	\$ 16,212	\$ 75,364	\$ 12,355,783	\$ 790

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS								
	Officers' Protection Equipment	County Jail Sales Tax	Juvenile Detention Grant	Justice Administration Grant	Local Law Enforcement Block Grant	Historic Preservation Grant	Five Star Hydraulic Grant	Mental Health Grant	Landfill
REVENUES									
State aid			\$ 16,891						
Federal aid					\$ 2,550		\$ 3,850	\$ 63,621	
Property taxes									
Sales taxes		\$ 1,996,571							
Fines, forfeitures, and costs		1,560							
Interest		280							\$ 9,646
Officers' fees									
Jail fees		300,443							
Emergency 911 fees									
Landfill fees									
Gain/(loss) on investments									(16,360)
Treasurer's commission									
Collector's commission									
Other		23,898		\$ 204				796	
TOTAL REVENUES		2,322,752	16,891	204	2,550		3,850	64,417	(6,714)
Less: Treasurer's commission		21,109							
NET REVENUES		2,301,643	16,891	204	2,550		3,850	64,417	(6,714)
EXPENDITURES									
Current:									
General government							3,850		
Law enforcement		2,345,645	24,368	22,501	2,550				
Highways and streets									
Public safety									
Sanitation									450
Health								65,101	
Social services									
Economic development									
Total Current		2,345,645	24,368	22,501	2,550		3,850	65,101	450
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES		2,345,645	24,368	22,501	2,550		3,850	65,101	450
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES		(44,002)	(7,477)	(22,297)				(684)	(7,164)
OTHER FINANCING SOURCES (USES)									
Transfers in									54,540
Transfers out									
Transfer of property and sales taxes and federal aid to County Hospital Board									
Transfer of property and sales taxes to County Library									
TOTAL OTHER FINANCING SOURCES (USES)									54,540
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES		(44,002)	(7,477)	(22,297)				(684)	47,376
FUND BALANCES - JANUARY 1	\$ 25	30,372	13,388	53,926		\$ 170		684	934,713
FUND BALANCES - DECEMBER 31	\$ 25	\$ (13,630)	\$ 5,911	\$ 31,629	\$ 0	170	\$ 0	\$ 0	\$ 982,089

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, 2021

Schedule 2

	CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS		
	Courthouse Construction	Arkansas Natural Resources Commission Solid Waste Revenue Bond	Courthouse Construction Sales Tax Bond	Totals
REVENUES				
State aid				\$ 434,865
Federal aid				4,962,606
Property taxes				730,721
Sales taxes			\$ 990,840	10,981,138
Fines, forfeitures, and costs				130,270
Interest	\$ 11,911	\$ 9	194	116,213
Officers' fees				300,748
Jail fees				389,024
Emergency 911 fees				817,174
Landfill fees				3,536,352
Gain/(loss) on investments				(16,360)
Treasurer's commission				64,404
Collector's commission				137,917
Other	5,708			68,465
TOTAL REVENUES	17,619	9	991,034	22,653,537
Less: Treasurer's commission				109,334
NET REVENUES	17,619	9	991,034	22,544,203
EXPENDITURES				
Current:				
General government	6,920,500		2,950	7,416,555
Law enforcement				2,618,073
Highways and streets				3,443
Public safety				354,170
Sanitation		500		2,564,774
Health				65,101
Social services				322,498
Economic development				814,162
Total Current	6,920,500	500	2,950	14,158,776
Debt Service:				
Bond principal		289,925	325,000	614,925
Bond interest and other charges		41,911	656,444	698,355
TOTAL EXPENDITURES	6,920,500	332,336	984,394	15,472,056
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(6,902,881)	(332,327)	6,640	7,072,147
OTHER FINANCING SOURCES (USES)				
Transfers in		332,336		386,876
Transfers out				(386,876)
Transfer of property and sales taxes and federal aid to County Hospital Board				(4,493,969)
Transfer of property and sales taxes to County Library				(989,504)
TOTAL OTHER FINANCING SOURCES (USES)		332,336		(5,483,473)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	(6,902,881)	9	6,640	1,588,674
FUND BALANCES - JANUARY 1	9,516,703	31,267	749,658	22,564,081
FUND BALANCES - DECEMBER 31	\$ 2,613,822	\$ 31,276	\$ 756,298	\$ 24,152,755

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
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 commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit 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 purpose of administering Ark. Const. amend. 79.
County Clerk Automation	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Library	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 the Mississippi County Library facilities.
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 on a fee schedule contained in an ordinance. 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.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Child Support Collection Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Operation and Maintenance (Act 1188)	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Drug Court Program	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.
Circuit Court Juvenile Division	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.
Circuit Court Commissioner's Fee	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 expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
County Hospital	Mississippi County Ordinance no. 2006-12 (November 28, 2006) established a four mill real and personal 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. 2021-10 (April 27, 2021) 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.
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.
County Jail Sales Tax	Mississippi County Ordinance no. O-98-11 (July 28, 1998) provided for a one eights 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 reimbursements of restricted sales tax revenue spent to house prisoners.
Juvenile Detention Grant	Established to account for grants received from the Arkansas Department of Finance and Administration to supplement juvenile detention facilities operations.
Justice Administration Grant	Established to account for federal grant to be used for law enforcement purposes.
Local Law Enforcement Block Grant	Established to account for Department of Justice grant to assist local law enforcement agencies.
Historic Preservation Grant	Established to account for grant received from the Arkansas Historic Preservation Program, an agency of the Department of Arkansas Heritage, for repairs to restore the courthouse.
Five Star Hydraulic Grant	Established to account for federal grant distributed through East Arkansas Planning and Development District for economic development of the area.
Mental Health Grant	Established to account for a grant from the Department of Justice to provide mental health services for county citizens.

MISSISSIPPI COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Landfill	Established to meet the financial assurance requirements of Ark. Code Ann. §§ 8-6-1603, 8-6-1002. This is an approved mechanism to be used to demonstrate financial assurance by Arkansas Department of Environmental Quality.
Courthouse Construction	Established to account for construction expenditures to construct a new courthouse financed by a .5% sales tax approved by the voters per Ordinance 2019-06.
Arkansas Natural Resources Commission Solid Waste Revenue Bond	Established to account for debt service payments for Arkansas Natural Resources commission Solid Waste Revenue Bond.
Courthouse Construction Sales Tax Bond	Established to account for debt service payments for bonds to finance construction for a new courthouse.

Treasurer's accounts consist primarily of interest, fines, fees and Law Library monies not distributed to the appropriate agencies.

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 the treasurer and payroll related withholdings.

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

Other Custodial accounts consist of landfill monies, probation fees awaiting disposition to the county, and petty cash used for the Senior Citizens program.

MISSISSIPPI COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2021
(Unaudited)

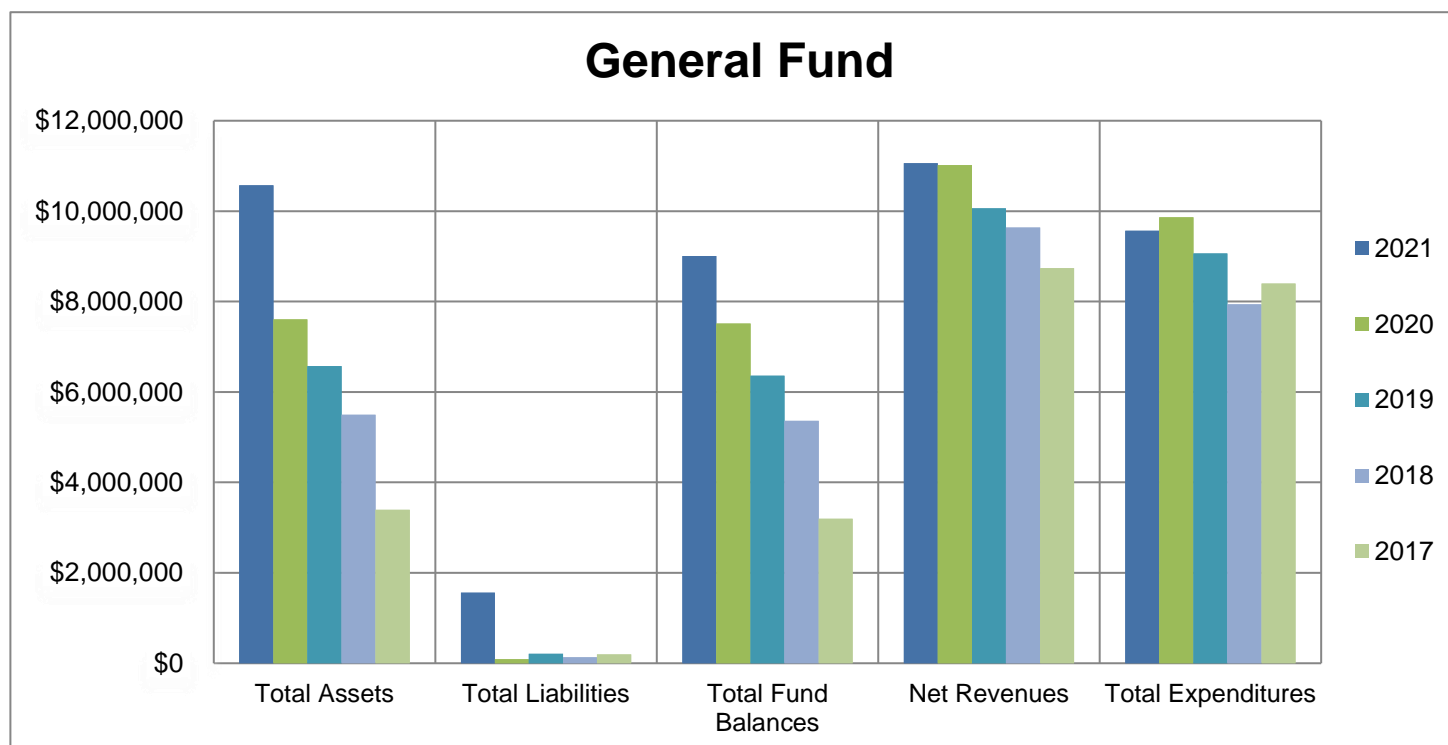
Schedule 3

	December 31, 2021
Land	\$ 3,007,018
Buildings	18,796,883
Equipment	<u>9,127,728</u>
Total	<u><u>\$ 30,931,629</u></u>

MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-1

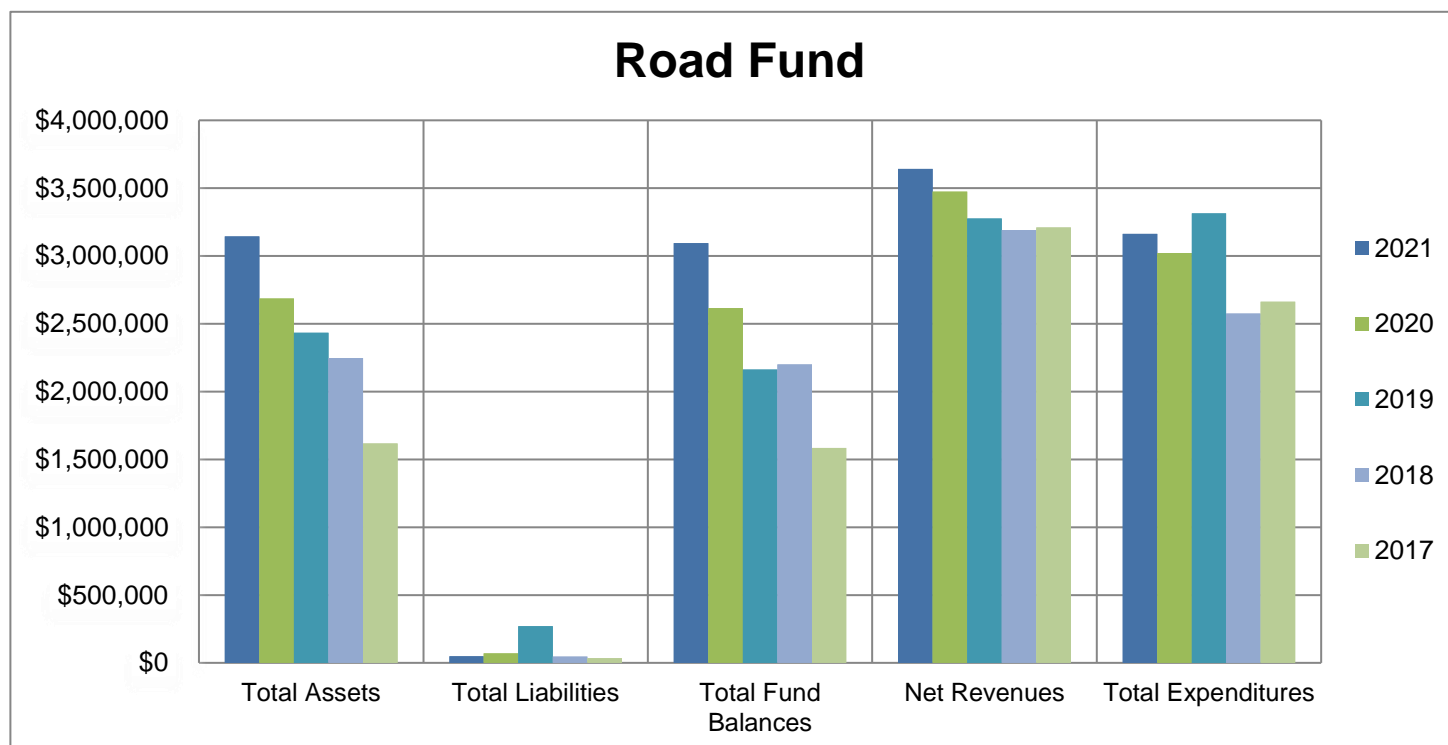
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 10,571,323	\$ 7,606,927	\$ 6,570,295	\$ 5,497,240	\$ 3,394,702
Total Liabilities	1,560,666	91,960	209,848	133,316	198,563
Total Fund Balances	9,010,657	7,514,967	6,360,447	5,363,924	3,196,139
Net Revenues	11,060,723	11,015,056	10,061,488	9,634,360	8,737,678
Total Expenditures	9,565,033	9,860,536	9,064,965	7,941,575	8,399,844
Total Other Financing Sources/Uses				475,000	174,000



MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 3,143,358	\$ 2,685,706	\$ 2,432,767	\$ 2,248,377	\$ 1,616,773
Total Liabilities	47,976	69,946	269,163	47,275	33,413
Total Fund Balances	3,095,382	2,615,760	2,163,604	2,201,102	1,583,360
Net Revenues	3,642,440	3,474,137	3,276,923	3,192,007	3,209,752
Total Expenditures	3,162,818	3,021,981	3,314,421	2,574,265	2,661,740
Total Other Financing Sources/Uses					



MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 26,548,295	\$ 25,243,580	\$ 32,641,849	\$ 13,973,710	\$ 11,651,217
Total Liabilities	2,395,540	2,679,499	1,796,475	1,735,385	2,341,812
Total Fund Balances	24,152,755	22,564,081	30,845,374	12,238,325	9,309,405
Net Revenues	22,544,203	16,226,661	15,851,399	15,607,952	14,087,585
Total Expenditures	15,472,056	20,398,301	10,771,382	8,166,913	8,001,267
Total Other Financing Sources/Uses	(5,483,473)	(4,109,653)	13,460,829	(4,512,119)	(3,961,762)

