

**Nevada County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2009**

LEGISLATIVE JOINT AUDITING COMMITTEE

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**Sen. Bobby L. Glover**  
Senate Co-Chair  
**Rep. Johnny Hoyt**  
House Co-Chair  
**Sen. Bill Pritchard**  
Senate Co-Vice Chair  
**Rep. Beverly Pyle**  
House Co-Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Nevada County, Arkansas, as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1(B and C), the County has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Nevada County, Arkansas, as of December 31, 2009, or the changes in its financial position or where applicable, its cash flows, thereof for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

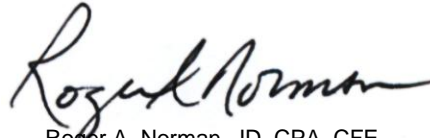
The financial statements referred to above do not disclose all the required information concerning deposit risks, which should be included in order to conform with the regulatory basis of accounting described in Note 1(C).

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Nevada County, Arkansas, as of December 31, 2009, and the respective changes in the regulatory basis financial position, and the budgetary results for the general fund and road fund for the year then ended on the basis of accounting as described in Note 1(C).

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements of Nevada County, Arkansas. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Nevada County, Arkansas. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, except for the effects on the financial information in the supporting schedules of the omission described above, such information is fairly stated in all material respects in relation to the financial statements taken as a whole. The supplementary information in the Schedule of Capital Assets required by the regulatory basis of presentation and the Schedule of Selected Information for the Last Three Years as listed in the table of contents as Schedules 3 and 4 are presented for the purpose of additional analysis. We have not applied auditing procedures to this information and, accordingly, we express no opinion on these schedules.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" being the most prominent.

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

Little Rock, Arkansas  
October 7, 2010  
LOCO05009

Sen. Bobby L. Glover  
Senate Co-Chair  
Rep. Johnny Hoyt  
House Co-Chair  
Sen. Bill Pritchard  
Senate Co-Vice Chair  
Rep. Beverly Pyle  
House Co-Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

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

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

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Nevada County, Arkansas, as of and for the year ended December 31, 2009, and have issued our report thereon dated October 7, 2010. We issued an adverse opinion because the County prepared the financial statements using accounting practices prescribed or permitted by Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the basis of accounting described in Note 1(C), our opinions on the general fund, road fund, and other funds in the aggregate were qualified because required disclosures were not made concerning deposit risks. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting 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 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:

2009-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording cash transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

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

Compliance and Other Matters

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

The County's response to the findings identified in our audit is described above. We did not audit the County's response and, accordingly, we express no opinion on it.

Other Issues

The following issues are not significant deficiencies, material weaknesses or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the County.

The commentary contained in this section relates to the following officials that held office during 2009:

County Judge: Baker Butler  
Treasurer: Karen Cobb  
Sheriff/Tax Collector: Danny Martin  
County Clerk: Julie Stockton Oliver  
Circuit Clerk: Rita Reyenga  
County Librarian: Joyce Gibson

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

**Sheriff**

Prenumbered receipts were not issued for all funds received in noncompliance with Ark. Code Ann. § 14-25-108.

Completed ticket books were not filed with the Court Clerk and the Sheriff's office copy of tickets was not filed either alphabetically or numerically as required by Ark. Code Ann. § 16-10-207.

The remaining bank balance for bonds and fines was not completely identified with receipts issued but not yet entered on the arrest report in noncompliance with Ark. Code Ann. § 16-10-207.

**County Clerk**

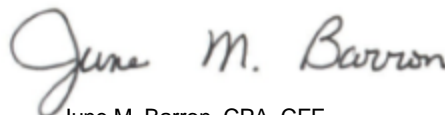
Receipts were not deposited intact promptly in the bank account in noncompliance with Ark. Code Ann. § 14-25-103.

**County Librarian**

Monthly bank reconciliations were not prepared and prenumbered receipts again were not issued for all funds as required by Ark. Code Ann. §§ 14-25-107 – 14-25-108.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, the federal awarding agencies and pass-through entities, if applicable, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT



June M. Barron, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
October 7, 2010

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

Exhibit A

	General	Road	Other Funds In The Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 268,435	\$ 666,246	\$ 1,452,429
Accounts receivable	154,907	76,190	78,569
<b>TOTAL ASSETS</b>	<b><u>\$ 423,342</u></b>	<b><u>\$ 742,436</u></b>	<b><u>\$ 1,530,998</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 29,455	\$ 8,581	\$ 45,700
Settlements pending	59,307		267,662
<b>Total Liabilities</b>	<b><u>88,762</u></b>	<b><u>8,581</u></b>	<b><u>313,362</u></b>
Fund Balances:			
Reserved (Note 7)		733,855	1,217,636
Unreserved:			
Undesignated	334,580		
<b>Total Fund Balances</b>	<b><u>334,580</u></b>	<b><u>733,855</u></b>	<b><u>1,217,636</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 423,342</u></b>	<b><u>\$ 742,436</u></b>	<b><u>\$ 1,530,998</u></b>

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

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

Exhibit B

	General	Road	Other Funds In The Aggregate
REVENUES			
State aid	\$ 438,497	\$ 777,579	\$ 22,493
Federal aid		178,607	57,688
Property taxes	419,781	185,281	22,416
Sales taxes			339,365
Fines, forfeitures, and costs	263,268		64,095
Interest	1,513	13,441	14,378
Officers' fees	72,404		18,487
Jail fees	24,749		
911 commissions			149,638
Treasurer's commission	60,506		7,852
Collector's commission	76,736		18,067
Taxes apportioned - Assessor's salary and expense	89,836		
Other	152,897	96,700	149,289
<b>TOTAL REVENUES</b>	<b>1,600,187</b>	<b>1,251,608</b>	<b>863,768</b>
Less: Treasurer's commission	26,360	18,616	11,555
<b>NET REVENUES</b>	<b>1,573,827</b>	<b>1,232,992</b>	<b>852,213</b>
EXPENDITURES			
Current:			
General government	781,966		38,405
Law enforcement	717,857		58,047
Highways and streets		1,082,158	
Public safety	13,655		251,754
Sanitation			458,773
Health	44,733		
Recreation and culture			66,383
Social services	36,828		
Total Current	1,595,039	1,082,158	873,362
Debt Service:			
Lease principal	51,091		
Lease interest	3,362		
<b>TOTAL EXPENDITURES</b>	<b>1,649,492</b>	<b>1,082,158</b>	<b>873,362</b>



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

Exhibit B

	General	Road	Other Funds In The Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (75,665)	\$ 150,834	\$ (21,149)
OTHER FINANCING SOURCES (USES)			
Transfers in			6,531
Transfers out	(6,531)		
TOTAL OTHER FINANCING SOURCES (USES)	(6,531)		6,531
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(82,196)	150,834	(14,618)
FUND BALANCES - JANUARY 1	416,776	583,021	1,232,254
FUND BALANCES - DECEMBER 31	\$ 334,580	\$ 733,855	\$ 1,217,636

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

NEVADA COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 559,233	\$ 438,497	\$ (120,736)	\$ 723,160	\$ 777,579	\$ 54,419
Federal aid					178,607	178,607
Property taxes	665,017	419,781	(245,236)	166,205	185,281	19,076
Fines, forfeitures, and costs	256,084	263,268	7,184			
Interest	3,291	1,513	(1,778)	2,350	13,441	11,091
Officers' fees	100,600	72,404	(28,196)			
Jail fees	22,500	24,749	2,249			
Treasurer's commission		60,506	60,506			
Collector's commission	65,000	76,736	11,736			
Taxes apportioned - Assessor's salary and expense		89,836	89,836			
Other	139,850	152,897	13,047	237,737	96,700	(141,037)
<b>TOTAL REVENUES</b>	<b>1,811,575</b>	<b>1,600,187</b>	<b>(211,388)</b>	<b>1,129,452</b>	<b>1,251,608</b>	<b>122,156</b>
Less: Treasurer's commission		26,360	(26,360)		18,616	(18,616)
<b>NET REVENUES</b>	<b>1,811,575</b>	<b>1,573,827</b>	<b>(237,748)</b>	<b>1,129,452</b>	<b>1,232,992</b>	<b>103,540</b>
EXPENDITURES						
Current:						
General government	810,105	781,966	28,139			
Law enforcement	768,183	717,857	50,326			
Highways and streets				1,365,200	1,082,158	283,042
Public safety	13,178	13,655	(477)			
Health	50,729	44,733	5,996			
Social services	39,102	36,828	2,274			
Total Current	1,681,297	1,595,039	86,258	1,365,200	1,082,158	283,042
Debt Service:						
Lease principal		51,091	(51,091)			
Lease interest		3,362	(3,362)			
<b>TOTAL EXPENDITURES</b>	<b>1,681,297</b>	<b>1,649,492</b>	<b>31,805</b>	<b>1,365,200</b>	<b>1,082,158</b>	<b>283,042</b>

NEVADA COUNTY, ARKANSAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 130,278	\$ (75,665)	\$ (205,943)	\$ (235,748)	\$ 150,834	\$ 386,582
OTHER FINANCING SOURCES (USES)						
Transfers in	78,050		(78,050)	20,000		(20,000)
Transfers out		(6,531)	(6,531)			
TOTAL OTHER FINANCING SOURCES (USES)	78,050	(6,531)	(84,581)	20,000		(20,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	208,328	(82,196)	(290,524)	(215,748)	150,834	366,582
FUND BALANCES - JANUARY 1	134,502	416,776	282,274	454,057	583,021	128,964
FUND BALANCES - DECEMBER 31	<u>\$ 342,830</u>	<u>\$ 334,580</u>	<u>\$ (8,250)</u>	<u>\$ 238,309</u>	<u>\$ 733,855</u>	<u>\$ 495,546</u>

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

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

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

**B. Basis of Presentation - Regulatory Fund Accounting**

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Arkansas Code. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road fund; notes to financial statements; and a supplemental schedule of capital assets.

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

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

**General Fund** - The General Fund is the primary operating fund and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: General, Sheriff's Equipment, and General Improvement.

**Road Fund** - The Road Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for maintaining and constructing County roads.

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The following Special Revenue Funds are reported with other funds in the aggregate: Commercial Mobile Radio 911 Board, Unclaimed Property, County Jail, Intoxication Detection Equipment, Warning Systems Grant, Victim/Witness (Crime Coordinator), No Liability Insurance, Jail Fee, Boating Safety, Support Collection Costs, Juvenile Probation, Drug Control (Drug Crime Enforcement), County Recorder's Cost, County Library, Rescue Unit, Solid Waste, Treasurer's Automation, County Clerk's Automation, District Court Automation, Assessor's Automation, Collector's Automation, Emergency Operations Planning Grant, Citizens Corp Council, Community Oriented Policing Services Grant, Courthouse Security Grant, Indigent Defense, Tornado Siren Grant, Oak Grove Fun Park, Recovery Act Justice Assistance Grant, and Communication Facility and Equipment.

Agency Funds - Agency Funds are used to account for assets held by the entity as an agent for individuals, private organizations, other governmental units, and other funds. The following Agency Funds are reported with other funds in the aggregate: County Treasurer (Treasurer's Commission, Collector's Unapportioned, Bank Interest, Arkansas Game and Fish, Law Library, and Treasurer's School), Collector (Delinquent Tax), Sheriff (Fee, Bond and Fine, and Inmate), County Clerk (Fee and Trust), and Circuit Clerk (Fee and Trust).

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting**

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

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, commissions, fees, and trust funds that have not been transferred to the appropriate entities.

Fund Balance

1. Reserved Fund Balance indicates that portion of fund balance that is not appropriable for expenditure or is legally segregated for a specific future use.
2. Undesignated Fund Balance indicates that portion of fund balance not reserved or designated.

**E. Property Taxes**

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 10.

**F. Budget Law**

1. Legal Requirements

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

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other Special Revenue Funds.

**NOTE 2: Cash**

Deposit risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement No. 40.

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

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

State law generally requires county funds be deposited in federally insured banks located in the State of Arkansas. The County deposits may be in the form of checking accounts, savings accounts, and/or time deposits. Public funds may also be invested in direct obligations of the United States of America and obligations the principal and interest on which are fully guaranteed by the United States of America.

**NOTE 4: Accounts Receivable**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 70,759	\$ 69,762	\$ 2,434
911 commissions			24,504
Officers' fees	3,630		1,768
Interest	96	108	197
Property taxes		3,641	443
Sales taxes			24,379
Jail fees	982		
Treasurer's commission	60,506		7,852
Fines, forfeitures, and costs	14,444		5,500
Other	4,490	2,679	11,492
Totals	<u>\$ 154,907</u>	<u>\$ 76,190</u>	<u>\$ 78,569</u>

**NOTE 5: Accounts Payable**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 27,664	\$ 6,441	\$ 44,901
Payroll taxes payable	1,791	2,140	799
Totals	<u>\$ 29,455</u>	<u>\$ 8,581</u>	<u>\$ 45,700</u>

**NOTE 6: Legal Debt Limit**

A. Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to ten percent (10%) of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2009, the legal debt limit for bonded debt was \$8,016,783. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to two and one half percent (2.5%) of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2009, the legal debt limit for short-term financing obligations was \$2,327,884. There were no short-term financing obligations.

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

**NOTE 7: Reserved Fund Balance**

Reserved fund balance consists of the following:

	December 31, 2009
<u>Road</u>	\$ 733,855
<u>Other Funds in the Aggregate</u>	
Special Revenue Funds:	
Commercial Mobile Radio 911 Board	\$ 147,590
Unclaimed Property	132,796
County Jail	282,586
Intoxication Detection Equipment	1,168
Warning Systems Grant	12,640
Victim/Witness (Crime Coordinator)	260
No Liability Insurance	1,638
Jail Fee	24,514
Boating Safety	9,677
Support Collection Costs	12,597
Juvenile Probation	14,815
Drug Control (Drug Crime Enforcement)	235
County Recorder's Cost	49,341
County Library	6,267
Solid Waste	426,786
Treasurer's Automation	13,332
County Clerk's Automation	2,306
District Court Automation	22,638
Assessor's Automation	5,651
Collector's Automation	17,781
Emergency Operations Planning Grant	3,754
Citizens Corp Council	39
Community Oriented Policing Services Grant	1,550
Courthouse Security Grant	2,362
Indigent Defense	18,453
Oak Grove Fun Park	2,241
Communication Facility and Equipment	4,619
Total Other Funds in the Aggregate	\$ 1,217,636

**NOTE 8: Commitments**

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

	December 31, 2009
Reappraisal contract	\$ 518,800
Landfill closure and postclosure care costs	2,524
Total Commitments	\$ 521,324

County-Wide Reappraisal Contract

The County entered into a contract for reappraisal services with Arkansas CAMA Technology, Inc., on December 16, 2009. Under the terms of the contract, the County will be billed monthly for a pro-rata portion of the work completed beginning February, 2010. The balance due on the contract, which will be completed in 2014, is \$518,800.

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

**NOTE 8: Commitments (Continued)**

Landfill Closure and Postclosure Care Costs

Nevada County is the owner of permit no. 236-S4 to operate a Class IV solid waste landfill. State and federal regulations require a final cover to be placed on the landfill site when the County stops accepting waste and perform certain maintenance and monitoring functions at the site for two years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and postclosure care costs has a balance of \$2,524 as of December 31, 2009, and represents the cumulative amount reported to date based on 3.8% usage of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$63,891 as the remaining estimated capacity is filled. At the present utilization rate, the landfill site life is estimated to exhaust in 54.8 years from the balance sheet date.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2009. However, the actual cost of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In accordance with Ark. Code Ann. § 8-6-1603, the County has provided financial assurance for the closure and postclosure care costs in the form of a Contract of Obligation in the amount of \$70,000 dated October 14, 2009. This Contract of Obligation authorizes the State Treasurer to withhold from any funds being distributed from the State of Arkansas to Nevada County the sum of \$70,000 upon receiving notice from the Director of the Arkansas Department of Environmental Quality of Nevada County's failure to properly disclose operation.

Compensated Absences

Compensated absences do not vest or accumulate.

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

**NOTE 9: Interfund Transfers**

The General Fund transferred \$6,531 to Other Funds in the Aggregate to open the Tornado Siren Grant Fund.

**NOTE 10: Joint Ventures**

Regional Library

Hempstead, Howard, Little River, Nevada, Pike, Polk, and Sevier Counties entered into an agreement dated January 1981 in accordance with Ark. Code Ann. § 13-2-401 to establish the Southwest Arkansas Regional Library. The Southwest Regional Library System is governed by a seven member board, which is made up of the chairmen of each county board or their appointed representative. Each county library, except for the Polk County Library, is to contribute \$.25 per capita, per year from their one mill property tax fund for the operation of the Regional Library System. The County Library paid \$1,894 for their capita contribution in 2009. Separate financial statements of the Southwest Regional Library are available at 500 South Elm Street, Hope, Arkansas 71801.

Nevada County/Prescott Landfill and Compaction Station

Nevada County entered into an interlocal cooperative agreement on November 15, 1993, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. § 25-20-104 for the operation of a compaction station and the County's Class IV landfill. The County and the City agree the joint operation of the Class IV landfill and compaction station shall be operated and governed by an independent board, which will administer and supervise the operation of the landfill under the terms of the agreement. The Board consists of the County Judge and three members each from the Quorum Court and the City Council for a total of seven members. The Chairman of the Board is the Nevada County Judge and is responsible for supervising the operations of the landfill. In 2009, Nevada County paid the Nevada County/Prescott Landfill and Compaction Station \$146,385. The financial statements of the Nevada County/Prescott Landfill and Compaction Station are available at 215 East Second Street, Prescott, Arkansas 71857.



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

**NOTE 10: Joint Ventures (Continued)**

Interlocal Cooperative Industrial Development Board

Nevada County entered into an interlocal cooperative agreement on April 18, 1994, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. §§ 25-20-101, 25-20-104, 14-165-202 for the purpose of providing funding for the employment of a full-time Industrial Recruiter to promote industrial development, recruit industrial prospects, and foster better relations with existing industry for the citizens of Nevada County, Arkansas. The County and City agree the employment and supervision of the independent Industrial Recruiter shall be operated under, supervised by, and hired by an independent board. The Board is comprised of seven members consisting of five members of the Board of Directors of the Prescott-Nevada County Industrial Development Corporation, one member from the Quorum Court, and one member from the Prescott City Council. The financial statements of the Nevada County/City of Prescott, Arkansas "Interlocal Cooperative Agreement for Industrial Development" are available at 116 East Second Street, Prescott, Arkansas 71857. The County did not make a payment to or on behalf of the Interlocal Cooperative Industrial Development Board in 2009.

Interlocal Cooperative Prescott-Nevada County Library and Educational Center Board

Nevada County entered into an interlocal cooperative agreement on May 24, 1999, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. §§ 25-20-101, 25-20-104 for the purpose of obtaining funding through Act 831 of 1999 to construct and equip a library and educational center. Funds were obtained and the Prescott-Nevada County Library and Educational Center was constructed. It is owned, operated, and governed by a permanent independent board. In accordance with the agreement, the Prescott/Nevada County Library and Educational Center Board is comprised of the Nevada County Judge, the Mayor of Prescott, one member of the Nevada County Quorum Court, one member of the Prescott City Council, three individuals selected by the Mayor of Prescott and two individuals selected by the Nevada County Judge.

The County agreed to appropriate and expend only those amounts of monies, tax funds, and other revenues of the County generated by the library millage and other County funds ordinarily appropriated for the library to maintain and operate the facility. The City agreed to appropriate sufficient monies on an annual basis to supplement maintenance and operational funding provided by the County. In 2009, the City of Prescott paid Nevada County \$43,383 in supplemental funding for these purposes. The County expended \$66,140 on behalf of the Prescott-Nevada County Library and Educational Center in 2009.

The financial activity of the Prescott-Nevada County Library and Educational Center Board is included in this report as an other aggregate fund because Nevada County Ordinance no. 78-4 (August 28, 1978) establishing the Nevada County Library has not been formally repealed.

South Central Drug Task Force

The Prosecuting Attorneys of the Eighth-South, Eighth-North, and Ninth-West Judicial Districts, the Sheriff's Departments of Nevada, Hempstead, Little River, Sevier, Howard, Pike, and Lafayette Counties, and the Police Departments of Hope, Prescott, Nashville, DeQueen, and Ashdown entered into an agreement to establish the South Central Drug Task Force. Funding is provided through federal and state grants in addition to contributions from participating entities. In 2009, Nevada County paid South Central Drug Task Force \$2,900. Separate financial statements for the South Central Drug Task Force are not available.

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

**NOTE 11: 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 area:

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.

The County participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county property.

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 for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). 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 and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. 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 \$350,000. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

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

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

**NOTE 12: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

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

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Commercial Mobile Radio 911 Board	Unclaimed Property	County Jail	Intoxication Detection Equipment	Warning Systems Grant	Victim/Witness (Crime Coordinator)	No Liability Insurance	Jail Fee	Boating Safety
<b>ASSETS</b>									
Cash and cash equivalents	\$ 132,259	\$ 132,796	\$ 283,628	\$ 1,168	\$ 12,636		\$ 2,343	\$ 22,165	\$ 9,584
Accounts receivable	24,854		1,708		4	\$ 260	336	2,349	93
<b>TOTAL ASSETS</b>	<b>\$ 157,113</b>	<b>\$ 132,796</b>	<b>\$ 285,336</b>	<b>\$ 1,168</b>	<b>\$ 12,640</b>	<b>\$ 260</b>	<b>\$ 2,679</b>	<b>\$ 24,514</b>	<b>\$ 9,677</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 9,523		\$ 2,750				\$ 1,041		
Settlements pending									
<b>Total Liabilities</b>	<b>9,523</b>		<b>2,750</b>				<b>1,041</b>		
<b>Fund Balances:</b>									
Reserved (Note 7)	147,590	\$ 132,796	282,586	\$ 1,168	\$ 12,640	\$ 260	1,638	\$ 24,514	\$ 9,677
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 157,113</b>	<b>\$ 132,796</b>	<b>\$ 285,336</b>	<b>\$ 1,168</b>	<b>\$ 12,640</b>	<b>\$ 260</b>	<b>\$ 2,679</b>	<b>\$ 24,514</b>	<b>\$ 9,677</b>

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Support Collection Costs	Juvenile Probation	Drug Control (Drug Crime Enforcement)	County Recorder's Cost	County Library	Solid Waste	Treasurer's Automation	County Clerk's Automation	District Court Automation
ASSETS									
Cash and cash equivalents	\$ 11,982	\$ 14,811		\$ 48,311	\$ 3,976	\$ 422,712	\$ 5,480	\$ 2,161	\$ 22,329
Accounts receivable	615	4	\$ 235	1,030	2,481	33,547	7,852	145	309
TOTAL ASSETS	\$ 12,597	\$ 14,815	\$ 235	\$ 49,341	\$ 6,457	\$ 456,259	\$ 13,332	\$ 2,306	\$ 22,638
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 190	\$ 29,473			
Settlements pending									
Total Liabilities					190	29,473			
Fund Balances:									
Reserved (Note 7)	\$ 12,597	\$ 14,815	\$ 235	\$ 49,341	6,267	426,786	\$ 13,332	\$ 2,306	\$ 22,638
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,597	\$ 14,815	\$ 235	\$ 49,341	\$ 6,457	\$ 456,259	\$ 13,332	\$ 2,306	\$ 22,638

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

Schedule 1

		SPECIAL REVENUE FUNDS								
		Assessor's Automation	Collector's Automation	Emergency Operations Planning Grant	Citizens Corp Council	Community Oriented Policing Services Grant	Courthouse Security Grant	Indigent Defense	Oak Grove Fun Park	Communication Facility and Equipment
<b>ASSETS</b>										
Cash and cash equivalents	\$	3,300	\$ 17,833	\$ 3,754	\$ 39	\$ 1,550	\$ 2,362	\$ 20,728	\$ 2,241	\$ 4,619
Accounts receivable		2,351						396		
TOTAL ASSETS	\$	5,651	\$ 17,833	\$ 3,754	\$ 39	\$ 1,550	\$ 2,362	\$ 21,124	\$ 2,241	\$ 4,619
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable			\$ 52					\$ 2,671		
Settlements pending										
Total Liabilities			52					2,671		
<b>Fund Balances:</b>										
Reserved (Note 7)	\$	5,651	17,781	\$ 3,754	\$ 39	\$ 1,550	\$ 2,362	18,453	\$ 2,241	\$ 4,619
TOTAL LIABILITIES AND FUND BALANCES	\$	5,651	\$ 17,833	\$ 3,754	\$ 39	\$ 1,550	\$ 2,362	\$ 21,124	\$ 2,241	\$ 4,619

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

Schedule 1

AGENCY FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 130,453	\$ 34,081	\$ 66,282	\$ 2,527	\$ 34,319	\$ 1,452,429
Accounts receivable						78,569
<b>TOTAL ASSETS</b>	<b>\$ 130,453</b>	<b>\$ 34,081</b>	<b>\$ 66,282</b>	<b>\$ 2,527</b>	<b>\$ 34,319</b>	<b>\$ 1,530,998</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable						\$ 45,700
Settlements pending	\$ 130,453	\$ 34,081	\$ 66,282	\$ 2,527	\$ 34,319	267,662
<b>Total Liabilities</b>	<b>130,453</b>	<b>34,081</b>	<b>66,282</b>	<b>2,527</b>	<b>34,319</b>	<b>313,362</b>
<b>Fund Balances:</b>						
Reserved (Note 7)						1,217,636
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 130,453</b>	<b>\$ 34,081</b>	<b>\$ 66,282</b>	<b>\$ 2,527</b>	<b>\$ 34,319</b>	<b>\$ 1,530,998</b>

NEVADA COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 2

	SPECIAL REVENUE FUNDS							
	Commercial Mobile Radio 911 Board	Unclaimed Property	County Jail	Intoxication Detection Equipment	Warning Systems Grant	Victim/Witness (Crime Coordinator)	No Liability Insurance	Jail Fee
REVENUES								
State aid								
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 20,283			\$ 3,120	\$ 2,620	\$ 22,325
Interest	\$ 888	\$ 2,347	5,362	\$ 7	\$ 65		11	
Officers' fees								
911 commissions	149,638							
Treasurer's commission								
Collector's commission								
Other								
<b>TOTAL REVENUES</b>	<b>150,526</b>	<b>2,347</b>	<b>25,645</b>	<b>7</b>	<b>65</b>	<b>3,120</b>	<b>2,631</b>	<b>22,325</b>
Less: Treasurer's commission	2,224						46	355
<b>NET REVENUES</b>	<b>148,302</b>	<b>2,347</b>	<b>25,645</b>	<b>7</b>	<b>65</b>	<b>3,120</b>	<b>2,585</b>	<b>21,970</b>
EXPENDITURES								
Current:								
General government								
Law enforcement			25,510			3,112	3,392	1,325
Public safety	147,630				992			
Sanitation								
Recreation and culture								
<b>TOTAL EXPENDITURES</b>	<b>147,630</b>		<b>25,510</b>		<b>992</b>	<b>3,112</b>	<b>3,392</b>	<b>1,325</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	672	2,347	135	7	(927)	8	(807)	20,645
OTHER FINANCING SOURCES (USES) Transfers in								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	672	2,347	135	7	(927)	8	(807)	20,645
FUND BALANCES - JANUARY 1	146,918	130,449	282,451	1,161	13,567	252	2,445	3,869
FUND BALANCES - DECEMBER 31	<u>\$ 147,590</u>	<u>\$ 132,796</u>	<u>\$ 282,586</u>	<u>\$ 1,168</u>	<u>\$ 12,640</u>	<u>\$ 260</u>	<u>\$ 1,638</u>	<u>\$ 24,514</u>



NEVADA COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 2

SPECIAL REVENUE FUNDS

	Boating Safety	Support Collection Costs	Juvenile Probation	Drug Control (Drug Crime Enforcement)	County Recorder's Cost	County Library	Rescue Unit	Solid Waste
REVENUES								
State aid	\$ 1,245					\$ 4,054	\$ 7,019	
Federal aid								
Property taxes						22,416		
Sales taxes								\$ 339,365
Fines, forfeitures, and costs			\$ 290	\$ 1,560				
Interest	41	\$ 58	73		\$ 231			5,174
Officers' fees		1,153			15,448			
911 commissions								
Treasurer's commission								
Collector's commission								
Other						45,956		73,009
<b>TOTAL REVENUES</b>	<b>1,286</b>	<b>1,211</b>	<b>363</b>	<b>1,560</b>	<b>15,679</b>	<b>72,426</b>	<b>7,019</b>	<b>417,548</b>
Less: Treasurer's commission	20					901		7,763
<b>NET REVENUES</b>	<b>1,266</b>	<b>1,211</b>	<b>363</b>	<b>1,560</b>	<b>15,679</b>	<b>71,525</b>	<b>7,019</b>	<b>409,785</b>
EXPENDITURES								
Current:								
General government					11,239			
Law enforcement				1,325				
Public safety							17,250	
Sanitation								458,773
Recreation and culture						66,140		
<b>TOTAL EXPENDITURES</b>				<b>1,325</b>	<b>11,239</b>	<b>66,140</b>	<b>17,250</b>	<b>458,773</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,266</b>	<b>1,211</b>	<b>363</b>	<b>235</b>	<b>4,440</b>	<b>5,385</b>	<b>(10,231)</b>	<b>(48,988)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>1,266</b>	<b>1,211</b>	<b>363</b>	<b>235</b>	<b>4,440</b>	<b>5,385</b>	<b>(10,231)</b>	<b>(48,988)</b>
FUND BALANCES - JANUARY 1	8,411	11,386	14,452		44,901	882	10,231	475,774
FUND BALANCES - DECEMBER 31	<u>\$ 9,677</u>	<u>\$ 12,597</u>	<u>\$ 14,815</u>	<u>\$ 235</u>	<u>\$ 49,341</u>	<u>\$ 6,267</u>	<u>\$ 0</u>	<u>\$ 426,786</u>

NEVADA COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 2

SPECIAL REVENUE FUNDS

	Treasurer's Automation	County Clerk's Automation	District Court Automation	Assessor's Automation	Collector's Automation	Emergency Operations Planning Grant	Citizens Corp Council	Community Oriented Policing Services Grant
REVENUES								
State aid				\$ 2,344				
Federal aid						\$ 57,688		
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 6,446					
Interest								
Officers' fees		\$ 1,886						
911 commissions								
Treasurer's commission	\$ 7,852							
Collector's commission					\$ 18,067			
Other						2,850		
<b>TOTAL REVENUES</b>	<b>7,852</b>	<b>1,886</b>	<b>6,446</b>	<b>2,344</b>	<b>18,067</b>	<b>60,538</b>		
Less: Treasurer's commission		34	117	53				
<b>NET REVENUES</b>	<b>7,852</b>	<b>1,852</b>	<b>6,329</b>	<b>2,291</b>	<b>18,067</b>	<b>60,538</b>		
EXPENDITURES								
Current:								
General government	2,781	3,395			20,990			
Law enforcement								
Public safety						59,838		
Sanitation								
Recreation and culture								
<b>TOTAL EXPENDITURES</b>	<b>2,781</b>	<b>3,395</b>			<b>20,990</b>	<b>59,838</b>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,071</b>	<b>(1,543)</b>	<b>6,329</b>	<b>2,291</b>	<b>(2,923)</b>	<b>700</b>		
OTHER FINANCING SOURCES (USES)								
Transfers in								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>5,071</b>	<b>(1,543)</b>	<b>6,329</b>	<b>2,291</b>	<b>(2,923)</b>	<b>700</b>		
FUND BALANCES - JANUARY 1	8,261	3,849	16,309	3,360	20,704	3,054	\$ 39	\$ 1,550
FUND BALANCES - DECEMBER 31	<u>\$ 13,332</u>	<u>\$ 2,306</u>	<u>\$ 22,638</u>	<u>\$ 5,651</u>	<u>\$ 17,781</u>	<u>\$ 3,754</u>	<u>\$ 39</u>	<u>\$ 1,550</u>

NEVADA COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 2

	SPECIAL REVENUE FUNDS						Totals
	Courthouse Security Grant	Indigent Defense	Tornado Siren Grant	Oak Grove Fun Park	Recovery Act Justice Assistance Grant	Communication Facility and Equipment	
REVENUES							
State aid	\$ 2,381				\$ 5,450		\$ 22,493
Federal aid							57,688
Property taxes							22,416
Sales taxes							339,365
Fines, forfeitures, and costs		\$ 7,451					64,095
Interest		110				\$ 11	14,378
Officers' fees							18,487
911 commissions							149,638
Treasurer's commission							7,852
Collector's commission							18,067
Other			\$ 17,000			10,474	149,289
<b>TOTAL REVENUES</b>	<b>2,381</b>	<b>7,561</b>	<b>17,000</b>		<b>5,450</b>	<b>10,485</b>	<b>863,768</b>
Less: Treasurer's commission		42					11,555
<b>NET REVENUES</b>	<b>2,381</b>	<b>7,519</b>	<b>17,000</b>		<b>5,450</b>	<b>10,485</b>	<b>852,213</b>
EXPENDITURES							
Current:							
General government							38,405
Law enforcement		9,256			5,450	8,677	58,047
Public safety	2,513		23,531				251,754
Sanitation							458,773
Recreation and culture				\$ 243			66,383
<b>TOTAL EXPENDITURES</b>	<b>2,513</b>	<b>9,256</b>	<b>23,531</b>	<b>243</b>	<b>5,450</b>	<b>8,677</b>	<b>873,362</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(132)	(1,737)	(6,531)	(243)		1,808	(21,149)
OTHER FINANCING SOURCES (USES)							
Transfers in			6,531				6,531
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(132)	(1,737)		(243)		1,808	(14,618)
FUND BALANCES - JANUARY 1	2,494	20,190		2,484		2,811	1,232,254
FUND BALANCES - DECEMBER 31	<u>\$ 2,362</u>	<u>\$ 18,453</u>	<u>\$ 0</u>	<u>\$ 2,241</u>	<u>\$ 0</u>	<u>\$ 4,619</u>	<u>\$ 1,217,636</u>

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

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

Fund Name	Fund Description
Commercial Mobile Radio 911 Board	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Unclaimed Property	Ark. Code Ann. § 18-28-213 requires the County receiving state funds from the "Unclaimed Property Trust Fund" shall maintain an accounting of these funds in perpetuity. If the rightful owner, owner's heirs or assigns petition the County for return of the funds, the County shall pay the funds to the rightful owner.
County Jail	Fund established to receive court costs to be used to defray a part of the expense of the Administration of Justice as addressed in Ark. Code Ann. § 16-10-307.
Intoxication Detection Equipment	Fund established to receive court costs to be used to defray a part of the expense of the Administration of Justice as addressed in Ark. Code Ann. § 16-10-307.
Warning Systems Grant	Established to account for a 1998 grant received from the State of Arkansas for implementing a weather warning system.
Victim/Witness (Crime Coordinator)	Ark. Code Ann. § 16-21-151 established fund to receive District Court costs levied to be used by Prosecuting Attorney for operating victim/witness program.
No Liability Insurance	Ark. Code Ann. § 27-22-103 provides for a mandatory fine for any person who operates a motor vehicle with this state without self-insurance or liability coverage. The fine is to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles.
Jail Fee	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	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.
Support Collection Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Juvenile Probation	Ark. Code Ann. § 16-13-326 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Drug Control (Drug Crime Enforcement)	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.

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

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

Fund Name	Fund Description
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Library Rescue Unit	Ark. Code Ann. § 13-2-404 established fund to account for Library property tax millage levied by the Quorum Court. Established to receive state grant for fire departments authorized by Act 1314 of 2007, to be used for maintenance and general operations, fire fighting training expenses, purchase of fire fighting equipment, and other expenses necessary to provide fire fighting protection.
Solid Waste	Nevada County Ordinance no. 1986-19 (August 11, 1986) established fund to receive 1% sales and use tax for the maintenance of the County Landfill and improvements of other county services.
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated record keeping system.
County Clerk's Automation	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive District Court installment fees of 1/2 of \$5 per month on each person to be used for court related technology.
Assessor's Automation	Ark. Code Ann. § 26-26-310 provides that one percent of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to County Assessors for the purpose of administering Arkansas Constitution, Amendment no. 79.
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.
Emergency Operations Planning Grant	Established to account for a 2003 federal grant for updating, enhancing, and or modifying the County Emergency Operations Plan.
Citizens Corp Council	Established to account for a grant received from Arkansas Department of Emergency Management for the establishment of local Citizens Corp Councils and to accomplish Community Emergency Response Team (CERT) training.
Community Oriented Policing Services Grant	Established to account for a 2005 federal grant for the purpose of adding an additional sheriff's deputy.

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

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

Fund Name	Fund Description
Courthouse Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
Indigent Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary cost incurred in the defense and representation of indigent persons.
Tornado Siren Grant	Established to account for a 2009 grant received for the purpose of providing a portion of the cost of acquiring parts and service to return early warning sirens to functioning condition.
Oak Grove Fun Park	Established to account for a 1999 grant received to add a new park facility, acquire land for existing park, or acquire additional land for the development of a park.
Recovery Act Justice Assistance Grant	Established to account for a 2009 grant received for the purpose of replacing courthouse doors with new security doors.
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.

Treasurer's accounts consists primarily of property taxes, treasurer's commission, and interest not distributed to the appropriate entities.  
 Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.  
 Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.  
 County Clerk's accounts consist primarily of fee money to be settled with the Treasurer.  
 Circuit Clerk's accounts consist of trust money and settlements due to the Treasurer.

NEVADA COUNTY, ARKANSAS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2009  
(Unaudited)

Schedule 3

	<u>December 31, 2009</u>
Land and buildings	\$ 1,040,075
Equipment	<u>2,732,354</u>
Total	<u>\$ 3,772,429</u>

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

Schedule 4

<b><u>General</u></b>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Assets	\$ 423,342	\$ 516,902	\$ 371,745
Total Liabilities	88,762	100,126	
Total Fund Balances	334,580	416,776	371,745
Net Revenues	1,573,827	1,696,228	1,618,795
Total Expenditures	1,649,492	1,657,757	1,593,095
<b><u>Road</u></b>			
Total Assets	\$ 742,436	\$ 594,800	\$ 477,180
Total Liabilities	8,581	11,779	
Total Fund Balances	733,855	583,021	477,180
Net Revenues	1,232,992	1,157,763	962,346
Total Expenditures	1,082,158	1,104,137	1,140,824
<b><u>Other Funds in the Aggregate</u></b>			
Total Assets	\$ 1,530,998	\$ 1,448,801	\$ 1,684,838
Total Liabilities	313,362	216,547	497,680
Total Fund Balances	1,217,636	1,232,547	1,187,158
Net Revenues	852,213	988,506	737,598
Total Expenditures	873,362	1,014,920	861,533

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