

**ARKANSAS TREASURER OF STATE**

**Annual Financial Report**

**June 30, 2011**

LEGISLATIVE JOINT AUDITING COMMITTEE



ARKANSAS TREASURER OF STATE  
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**Sen. Bill Pritchard**  
Senate Chair  
**Rep. Tim Summers**  
House Chair  
**Sen. David Wyatt**  
Senate Vice Chair  
**Rep. Toni Bradford**  
House Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Arkansas Treasurer of State  
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Arkansas Treasurer of State, an Office of Arkansas state government, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Agency 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. 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 indicated above, the financial statements of the Arkansas Treasurer of State are intended to present the financial position and the changes in financial position and budgetary comparisons of only that portion of the major fund and the aggregate remaining fund information of the State that is attributable to the transactions of the Arkansas Treasurer of State. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2011, the changes in its financial position and budgetary comparisons for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Arkansas Treasurer of State as of June 30, 2011, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2012 on our consideration of the Arkansas Treasurer of State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 financial statements of the major fund and the aggregate remaining fund information of the Arkansas Treasurer of State. The schedules describing various distributions and the Schedule of Selected Information, listed as supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the major fund and the aggregate remaining fund information. The schedules describing various distributions have been subjected to the auditing procedures applied in the audit of the financial statements of the major fund and the aggregate remaining fund information and, in our opinion, are fairly stated in all material respects in relation to the financial statements of the major fund and the aggregate remaining fund information taken as a whole. The Schedule of Selected Information has not been subjected to the auditing procedures applied in the audit of the financial statements of the major fund and the aggregate remaining fund information, and accordingly, we express no opinion on it.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in cursive script, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas  
August 22, 2012  
SA0406911

**Sen. Bill Pritchard**  
Senate Chair  
**Rep. Tim Summers**  
House Chair  
**Sen. David Wyatt**  
Senate Vice Chair  
**Rep. Toni Bradford**  
House 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 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Arkansas Treasurer of State  
Legislative Joint Auditing Committee

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Arkansas Treasurer of State (the "Agency"), an office of Arkansas state government, as of and for the year ended June 30, 2011, and have issued our report dated August 22, 2012. 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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as Finding 2011-4, that we consider to be significant deficiencies in internal control over financial reporting. 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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described below in the Audit Findings section of this report as items 2011-1 through 2011-3.

## SCHEDULE OF FINDINGS AND RESPONSES

2011-1 The Office of Treasurer of State (Treasury) understated prepaid expenses by \$2,271 and accounts payable by \$9,932. Although immaterial to the financial statements of the general fund, we consider these errors qualitatively significant since these are the only accrual amounts calculated by the Treasury. All other accruals were calculated by the Department of Finance and Administration.

Management responded that this issue has been corrected for the FY2012 Comprehensive Annual Financial Report (CAFR.)

2011-2 The equipment records of the Treasury, maintained outside of the Arkansas Administrative Statewide Administrative System (AASIS), do not agree with AASIS. Since AASIS is used as the source of information for the State's CAFR, these errors affect the accuracy of that report.

Management responded that new fixed assets are correctly entered into AASIS and there has been an ongoing effort to match the equipment records between AASIS and Treasury.

2011-3 The Arkansas State Treasury Investment Policy requires that each securities firm approved by the Treasurer submit "semiannual and annual reports, including audited financial statements...." We asked to review these documents and were told that the Treasury did not have them.

Management responded that steps have already been taken to obtain these reports.

2011-4 Subsequent to June 30, 2011, the Treasury sold bonds from its investment portfolio to selected bond brokers before the bonds reached maturity and subsequently purchased similar bonds from the same investment brokers, resulting in a net economic loss of \$58,172. This practice differs from the Treasury's previous practice of holding bonds until maturity. Furthermore, in November 2011, DLA staff advised the Treasury that Generally Accepted Accounting Principles (GAAP) require gains and losses on the sale of these bonds to be recorded separately from interest income. The Department of Finance and Administration - Office of Accounting agreed with the applicability of these accounting principles. However, the Treasury did not record these transactions as advised. These transactions, as well as the Arkansas State Treasury Investment Policy, are the subject of two separate reports issued concurrently with this report.

Management responded that the entries made by the State Treasury were based on standard operating procedures for these transactions. Research was done on past entries of this situation and was found to be consistent. Therefore, Treasury records were not changed. Response to the special reports is submitted in a separate document.

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

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, state executive and oversight management, Agency management, the State Board of Finance 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



Jon Moore, CPA, CFE, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 22, 2012

ARKANSAS TREASURER OF STATE  
BALANCE SHEET - GOVERNMENTAL FUND  
JUNE 30, 2011

Exhibit A

	General Fund
ASSETS	
Cash and cash equivalents	\$ 180,972,136
Accounts receivable:	
Tobacco settlement	24,800,000
Accrued interest	459,120
Motor fuel tax	12,289,459
Due from other funds	51,947
Prepaid expenses	49,978
TOTAL ASSETS	\$ 218,622,640
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable - vendors	\$ 76,499
Accrued payroll	109,870
Deferred revenues	24,957,450
Due to other governments	186,994
Due to other funds	139,546
Total Liabilities	25,470,359
Fund Balances:	
Nonspendable:	
Prepaid items	49,978
Restricted:	
Debt service	14,451,136
Tobacco settlement	164,045,444
Committed:	
Program requirements	13,623,275
Unassigned	982,448
Total Fund Balances	193,152,281
TOTAL LIABILITIES AND FUND BALANCES	\$ 218,622,640

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

ARKANSAS TREASURER OF STATE  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B

	General Fund
<b>REVENUES</b>	
Abandoned mineral leases	\$ 1,125,000
Consumer sales and use taxes	222,088,815
Fines and penalties	501,884
Real estate transfer taxes	682,489
Severance taxes	6,080,571
Tobacco Master Settlement Agreement receipts	49,507,462
Investment earnings	29,671,760
Other sales, refunds, and reimbursements	6,077
	309,664,058
<b>TOTAL REVENUES</b>	
<b>EXPENDITURES</b>	
Personal services - payroll	1,794,480
Employee benefits - matching	503,655
Communication and transportation of commodities	30,179
Printing and advertising	390
Utilities and rent	154,884
Travel and subsistence	7,723
Professional services	656,164
Insurance and bonds	9,797
Other expenses and services	194,377
Commodities for household, office, and institutions	56,693
Assistance, grants, and aids	458,576,247
Refunds, taxes, and claims	5,308,131
Debt service:	
Principal	23,507,826
Interest	24,662,517
Capital outlay	88,995
	515,552,058
<b>TOTAL EXPENDITURES</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(205,888,000)



ARKANSAS TREASURER OF STATE  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B

	General Fund
OTHER FINANCING SOURCES (USES)	
General revenue distribution	\$ 87,417,406
General/special revenue allocation	3,233,155
Highway special revenue distribution	175,291,587
Securities reserve fund distribution	(27,193,050)
Tobacco settlement distribution	(46,299,787)
Department of Education - Amendment no. 79 millage equalization	(938,567)
Federal funds - mineral lease lands	11,546,279
Funding for Administration of Justice Fund (TAJ)	992,778
Funding from Arkansas Natural Resources Commission - debt service	14,900,000
Funding from Securities Reserve Fund (TAS)	1,408,508
Payments to state agencies from County and Municipal Aid funds	(8,708,736)
Transfer to fiscal agent for debt service - tobacco settlement bonds	(4,964,817)
Uniform Commercial Code filings	663,084
	207,347,840
 TOTAL OTHER FINANCING SOURCES (USES)	
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,459,840
 FUND BALANCES - JULY 1	191,692,441
 FUND BALANCES - JUNE 30	\$ 193,152,281

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

ARKANSAS TREASURER OF STATE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit C

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amount		Actual	
	Original	Final		
<b>REVENUES</b>				
Abandoned mineral leases			\$ 1,125,000	\$ 1,125,000
Consumer sales and use taxes	\$ 254,000,000	\$ 254,000,000	222,088,815	(31,911,185)
Fines and penalties	450,000	450,000	501,884	51,884
Real estate transfer taxes			682,489	682,489
Severance taxes			6,080,571	6,080,571
Tobacco Master Settlement Agreement receipts			49,507,462	49,507,462
Investment earnings	3,809,579	3,809,579	29,671,760	25,862,181
Other sales, refunds, and reimbursements			6,077	6,077
<b>TOTAL REVENUES</b>	<b>258,259,579</b>	<b>258,259,579</b>	<b>309,664,058</b>	<b>51,404,479</b>
<b>EXPENDITURES</b>				
Regular salaries	2,022,000	1,878,415	1,794,480	83,935
Extra help	50,000	50,000		50,000
Operating expenses	378,500	378,500	297,548	80,952
Personal services matching	568,762	538,417	496,543	41,875
Conference fees and travel	36,500	36,500	5,372	31,128
Professional fees and services	132,125	132,125	77,151	54,974
Capital outlay	75,000	75,000	3,513	71,487
Data processing	900,000	900,000	600,483	299,517
Debt collection	5,000	5,000		5,000
Facility debt service and operating expenses	5,274,683	5,274,683	5,274,683	
General revenue - counties	19,741,546	19,645,067	13,470,743	6,174,324
Special revenue - counties	160,000,000	160,000,000	96,892,981	63,107,019
Mineral sale or lease - minerals, oil, and gas	20,000,000	20,000,000	11,575,131	8,424,869
Military land sale	750,000	750,000		750,000
Military land taxing unit	1,250,000	1,250,000		1,250,000
General revenue - cities	27,506,526	27,372,099	26,046,421	1,325,678
Special revenue - cities	120,000,000	120,000,000	88,424,319	31,575,681

ARKANSAS TREASURER OF STATE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit C

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amount		Actual	
	Original	Final		
EXPENDITURES (Continued)				
Loans or grants		\$ 785,000		\$ 785,000
Critical needs		60,000		60,000
Emergency medical	\$ 300,000	300,000	\$ 300,000	
Local law enforcement	300,000	300,000	300,000	
Premiums and discounts	600,000	600,000		600,000
Principal, interest, paying agent fees	3,000,000	3,000,000	181,496	2,818,504
Refunds, reimbursements	60,000,000	60,000,000	74,198	59,925,802
Debt service	60,000,000	60,000,000	48,170,342	11,829,658
Real property tax reduction - counties	250,000,000	250,000,000	213,564,886	36,435,114
Distribution to counties	4,000,000	4,000,000	4,000,000	
Distribution to cities	4,000,000	4,000,000	4,000,000	
Animal shelters - counties	100,000	100,000	884	99,116
Animal shelters - cities	100,000	100,000	884	99,116
<b>TOTAL EXPENDITURES</b>	<b>741,090,642</b>	<b>741,530,806</b>	<b>515,552,058</b>	<b>225,978,749</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(482,831,063)</b>	<b>(483,271,227)</b>	<b>(205,888,000)</b>	<b>277,383,227</b>
OTHER FINANCING SOURCES (USES)				
General revenue distribution	104,167,595	104,167,595	87,417,406	(16,750,189)
General/special revenue allocation	3,950,835	3,950,835	3,233,155	(717,680)
Highway special revenue distribution	280,000,000	280,000,000	175,291,587	(104,708,413)
Securities reserve fund distribution			(27,193,050)	(27,193,050)
Tobacco settlement distribution			(46,299,787)	(46,299,787)
Department of Education - Amendment no. 79 millage equalization			(938,567)	(938,567)
Federal Funds - mineral lease lands	22,000,000	22,000,000	11,546,279	(10,453,721)
Funding for Administration of Justice Fund (TAJ)			992,778	992,778

ARKANSAS TREASURER OF STATE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit C

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amount		Actual	
	Original	Final		
OTHER FINANCING SOURCES (USES) (Continued)				
Funding from Arkansas Natural Resources Commission - debt service	\$ 68,000,000	\$ 68,000,000	\$ 14,900,000	\$ (53,100,000)
Funding from Securities Reserve Fund (TAS)			1,408,508	1,408,508
Payments to State agencies from County and Municipal Aid funds			(8,708,736)	(8,708,736)
Transfer to fiscal agent for debt service - tobacco settlement bonds			(4,964,817)	(4,964,817)
Uniform Commercial Code filings			663,084	663,084
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>478,118,430</b>	<b>478,118,430</b>	<b>207,347,840</b>	<b>(270,770,590)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(4,712,633)</b>	<b>(5,152,797)</b>	<b>1,459,840</b>	<b>6,612,637</b>
<b>FUND BALANCES - JULY 1</b>	<b>191,692,441</b>	<b>191,692,441</b>	<b>191,692,441</b>	
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 186,979,808</b>	<b>\$ 186,539,644</b>	<b>\$ 193,152,281</b>	<b>\$ 6,612,637</b>

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

ARKANSAS TREASURER OF STATE  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
JUNE 30, 2011

Exhibit D

	Investment Trust Fund	Agency Funds	Total
	State Treasury Money Management Trust Fund	Appropriated Treasury Funds	Fiduciary Funds
<b>ASSETS</b>			
Cash on hand and collection items		\$ 3,943,174	\$ 3,943,174
Cash in bank - demand deposits		207,052,457	207,052,457
Investments:			
Money market accounts:			
Banc of America Securities Fund	\$ 129,162,648	335,535,510	464,698,158
First Security Treasury Obligations Fund		113,519,722	113,519,722
Goldman Sachs Federal Fund		139,950,941	139,950,941
Regions Federated Obligations Fund		234,389,971	234,389,971
Simmons Aim Fund		234,207,681	234,207,681
State Treasury money management trust fund		55,831,661	55,831,661
Certificates of deposit:			
Trust funds		418,234,276	418,234,276
Treasury		200,000	200,000
Federal agency securities:			
Federal Home Loan Bank Board	90,073,187	1,432,993,346	1,523,066,533
Federal Home Loan Mortgage Corporation	15,012,675	34,650,679	49,663,354
Municipal bonds		15,000,000	15,000,000
Arkansas Capital Corporation - notes		41,578,000	41,578,000
State Board of Education - Certificates of indebtedness		307,316	307,316
Accrued interest receivable	115,198	6,008,437	6,123,635
<b>TOTAL ASSETS</b>	<b>\$ 234,363,708</b>	<b>\$ 3,273,403,171</b>	<b>\$ 3,507,766,879</b>

ARKANSAS TREASURER OF STATE  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
JUNE 30, 2011

Exhibit D

	Investment Trust Fund	Agency Funds	Total
	State Treasury Money Management Trust Fund	Appropriated Treasury Funds	Fiduciary Funds
<b>LIABILITIES</b>			
Due to other governmental units		\$ 3,273,403,171	\$ 3,273,403,171
<b>NET ASSETS</b>			
Held in trust for pool participants:			
Treasurer of State	\$ 55,831,661		\$ 55,831,661
Other pool participants	178,532,047		178,532,047
<b>TOTAL NET ASSETS</b>	<b>\$ 234,363,708</b>		<b>\$ 234,363,708</b>

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

ARKANSAS TREASURER OF STATE  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS - INVESTMENT TRUST  
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit E

	Total State Treasury Money Management Trust Fund
ADDITIONS	
Investment income:	
Net increase (decrease) in the fair value of investments	\$ 231,352
Interest, dividends, and other	699,847
Total investment income	931,199
Capital share and individual account transactions:	
Shares sold	46,182,000
Reinvested distributions	962,161
Shares redeemed	(47,915,900)
Net capital share and individual account transactions	(771,739)
TOTAL ADDITIONS	159,460
DEDUCTIONS	
Distributions to shareholders	962,161
CHANGE IN NET ASSETS HELD FOR PLAN SPONSOR AND OTHER POOL PARTICIPANTS	(802,701)
NET ASSETS - BEGINNING	235,166,409
NET ASSETS - ENDING	\$ 234,363,708

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

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity/History

The Constitution of the State of Arkansas, Article 6, created the Office of Treasurer of State, who is elected by the qualified electors of the state. Arkansas Code Annotated specifies duties of the Treasurer of State, including banking and investing functions for the state's appropriated treasury funds and the Treasurer's money management trust fund, distribution of the state's general, special, and certain other revenues; distributions to local government entities; receipt and allocation of the state's Tobacco Settlement proceeds; debt service payments on the state's general obligation bonds; and certain revenue bonds as well as other duties.

B. Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or 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, if applicable to this Agency, are recognized in the accompanying financial statements.

Governmental Funds

General Fund – General Fund is the general operating fund and is used to report all financial resources, except those required to be accounted for in another fund.

Fiduciary Funds

Trust and Agency Funds – Trust and Agency Funds are used to report resources held by the Agency in a trustee capacity or as an agent for individuals, other governmental units, and other funds. These include Pension Trust Funds, Employee Health Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Agency Funds. The specific activity accounted for at this Agency includes the following:

Investment Trust Funds account for assets held by the Agency in an external investment pool further described in Note 2.

Agency Funds account for assets held by the Agency in a custodial capacity for other state governmental units in accordance with constitutional and other legal requirements.

C. Basis of Accounting

*Basis of Accounting* refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Financial statements for governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. "Available" means collectible within the current period or soon enough thereafter to pay current liabilities (i.e., 45 days). Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred. Federal grants and entitlements are recognized as revenues when received, with the unearned, unexpended balance recognized as a deferred revenue for financial statement presentation purposes, except for federal grants that are reimbursable at the time of the program expenditure, which are recognized as revenues when earned. The economic resources measurement focus and accrual basis of accounting are used in all Fiduciary Fund financial statements. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred.



ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

Cash and Cash Equivalents include demand accounts, imprest accounts, cash on hand, cash in state treasury, all certificates of deposit with maturities at purchase of 90 days or less, and all short-term instruments with maturities at purchase of 90 days or less. All short-term investments are stated at fair value.

E. Capital Assets

Capital Assets purchased and in the custody of this Agency were recorded as expenditures at the time of purchase. Assets with costs exceeding \$2,500 and an estimated useful life exceeding one year are reported at historical cost, including ancillary costs (such as professional fees and costs, freight costs, preparation or setup costs, and installation costs). Infrastructure or public domain fixed assets (such as roads, bridges, tunnels, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems) are also capitalized. Gifts or contributions are generally recorded in the accounts at fair market value at the time received. In accordance with current accounting principles generally accepted in the United States of America, general capital assets and depreciation are reported in the State's "Government-Wide" financial statements but are not reported in the governmental fund financial statements. Depreciation is reported for proprietary fund capital assets based on a straight-line method, with no salvage value. Estimated useful lives generally assigned are as follows:

<u>Assets:</u>	<u>Years</u>
Equipment	5-20
Buildings and building improvements	20-50
Infrastructure	10-30
Land improvements	10-40
Other capital assets	4-20

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Governmental activities:				
Equipment	\$ 2,497,608	\$ 88,995	\$ 200,368	\$ 2,386,235

F. Deposits and Investments

State Treasury Management Law and Board of Finance Policies

Ark. Code Ann. § 19-3-5, referred to as "State Treasury Management Law," governs the management of monies held by the Treasurer of State and establishes the composition, recording, and disposition of Treasury fund balances; prescribes eligible deposits and investments; creates the State Treasury Certificate of Deposit Investment Program; and grants authority to the State Board of Finance to establish regulations.

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

State Treasury Management Law and Board of Finance Policies (Continued)

The Treasurer of State has adopted an investment policy incorporating the provisions of State Treasury Management Law, further describing the proportion, duration, and other characteristics of certain investment types. Available deposits and investments include bank demand accounts and certificates of deposit, direct obligations of the United States Government, obligations of agencies and instrumentalities created by the United States Congress, obligations the principal and interest of which are fully insured by the United States Government, general obligations of political subdivisions of the United States, obligations issued by the State Board of Education, certain corporate and banking obligations, money market funds, and certain other government obligations. This policy mandates a "prudent investor" standard, with the objectives of preserving capital, maintaining necessary liquidity, and optimizing the return on investments.

Deposits

Deposits are carried at cost and include cash in state treasury, demand accounts, and certificates of deposits. State Treasury Management Law governs the management of funds held in the State Treasury and it is the responsibility of the Treasurer of State to ensure these funds are adequately insured and collateralized.

Custodial Credit Risk – *Custodial credit risk for deposits* is the risk that, in the event of the failure of a depository institution, the Agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. To mitigate such risk, the Treasurer's collateralization policy requires banks to collateralize all deposits with prescribed securities having a market value equal to or exceeding 105% of the deposit and any accrued interest for the duration of the deposit. These collateral securities are placed in the custody of third party safekeeping agents under contract provisions preventing access by the pledging bank unless granted by the Treasurer. As of June 30, 2011, none of the Treasurer's bank deposits of \$651,540,574 was exposed to custodial credit risk.

Investments

Except for certain interest-earning investment contracts, investments are reported at fair value based on available quoted market prices. Changes in the fair value of investments are recognized as revenue in the operating statements.

Investment in the State Treasury Money Management Trust Fund – During the year, the Treasurer sponsored and participated as an investor in the State Treasury Money Management Trust Fund, authorized by Act 1179 of 1997 to be a means by which state agencies, local governments, and their subdivisions may enhance investment opportunities and earnings of idle cash funds. The Treasurer of State defines the fund as an external investment pool in accordance with the Governmental Accounting Standards Board Statement Number 31 (GASB 31). The fund's investments are restricted to those authorized by State Treasury Management Law (Ark. Code Ann. § 19-3-501). The Treasurer of State has established procedures for participation in the Fund and its operation. Participants' funds are available for withdrawal upon demand. Interest receipts are allocated to participants' accounts at the beginning of each month based upon proportionate average daily balances for the preceding month. Monthly statements of activity are provided to each participant. Fair value information is not provided to participants, but the difference between the proportionate fair value of the underlying assets and participant account balances is 1%. At June 30, 2011, the Treasurer's account balance in the Fund totaled \$55,831,661.

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2011, the Agency had the following investment balances and segmented maturities:

Investment Type	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 - 5	6 - 10
Money management trust fund	\$ 55,831,661	\$ 55,831,661		
Money market funds	1,186,766,473	1,186,766,473		
Federal Home Loan Bank Board	1,523,066,533	20,044,441	\$ 1,503,022,092	
Federal Home Loan Mortgage Corporation	49,663,354		49,663,354	
Municipal bonds	15,000,000		15,000,000	
Arkansas Capital Corporation - notes	41,578,000	3,000,000	11,700,000	\$ 26,878,000
State Board of Education Certificate of Indebtedness	307,316	116,000	191,316	
Totals	<u>\$ 2,872,213,337</u>	<u>\$ 1,265,758,575</u>	<u>\$ 1,579,576,762</u>	<u>\$ 26,878,000</u>

Interest Rate Risk – *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Securities account investments, excluding Arkansas Capital Corporation notes and State Board of Education Certificate of Indebtedness but including money market funds, the Treasurer’s holdings in the Money Management Trust Fund, and government securities, are subject to policy limiting the maturity of any individual investment to five years and the average maturity of the portfolio to five years. The policy for investments of the State Treasury Money Management Trust Fund restricts maturity of individual investments to 13 months and the average maturity of the portfolio to 90 days. The summary shown above indicates that 56% of the Agency’s investment maturities are one year or longer.

Credit Risk – *Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Agency has adopted the State Board of Finance Policy that limits investment choices to certificates of deposit, repurchase agreements, treasury bills, treasury notes, and securities issued by the State of Arkansas and its political subdivisions. The Agency’s exposure to credit risk as of June 30, 2011, is as follows:

Rating	Fair Value
AAA	\$ 2,774,496,360
Unrated	97,716,977
Total	<u>\$ 2,872,213,337</u>

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk – *Concentration of Credit Risk* is the risk of loss attributed to the magnitude of the Agency's investment in a single issuer. The Agency places no limit on the amount it may invest in any one issuer. As of June 30, 2011, the Agency has the following investments that represent more than 5% of net investments:

Federal Home Loan Bank Board	53%
------------------------------	-----

G. Interfund Balances and Transfers

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The general fund was owed \$51,947 from funds owned by other state agencies, consisting of \$51,615 in funding for operations not transferred at year-end, and \$332 in various overpayments and reimbursements. The general fund owed \$139,546 to funds owned by other state agencies, consisting of \$137,513 in funding for operations not transferred at year-end and \$2,033 in various overpayments and reimbursements. Details of interfund transfers are disclosed in the financial statements.

H. Prepaid Expenses

Prepaid expenses generally represent the cost of consumable supplies on hand or unexpired services at year-end. The cost of these items is included with expenditures at the time of purchase. Prepaid expenses, as reported in the general fund financial statements, are also recorded as a nonspendable component of fund balance indicating that they do not constitute "available, spendable financial resources".

I. Pension Plan

Plan Description – The Agency contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the APERS Board of Trustees. APERS provides retirement and disability benefits, annual redetermination of benefit adjustments, and survivor benefits to plan members and beneficiaries. The Constitution of Arkansas, Article 5, vests with the General Assembly the legislative power to enact and amend benefit provisions of APERS as published in Chapters 2, 3, and 4 of Title 24 of the Arkansas Code Annotated. APERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 West Capitol, Little Rock, Arkansas, 72201 or by calling 1-501-682-7855.

Funding Policy – Contributory plan members are required to contribute 5% of their annual covered salary. The Agency is required to contribute for all covered State employees at the rate of 12.46% of annual covered payroll. The contribution requirements of plan members are established and may be amended by the Arkansas General Assembly. The contribution requirements of the Agency are established and may be amended by the APERS Board of Trustees. The Agency's contributions to APERS for the years ended June 30, 2011, 2010, and 2009, were \$203,558, \$172,560, and \$157,832, respectively, equal to the required contributions for each year.

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Fund Equity

Fund Balance

In the financial statements, fund balance is reported in one of five classifications, where applicable, based on the constraints imposed on the use of the resources.

The nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (e.g., prepaid items, inventories, and the long-term amount of loans and notes receivables) or (b) legally or contractually required to be maintained intact.

The spendable portion of fund balance, where applicable, comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes according to constraints imposed by legislation of the General Assembly, the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the General Assembly removes or changes the constraint by the same action that imposed the constraint.

*Assigned fund balance.* This classification reflects amounts constrained by the State's "intent" to be used for specific purposes but are neither restricted nor committed. The General Assembly has the authority to assign amounts to be used for specific purposes by legislation or approved methods of financing.

*Unassigned fund balance.* This amount is the residual classification for the general fund.

When more than one spendable classification is available for use, it is the State's policy to use the resources in this order: restricted, committed, assigned, and unassigned.

K. Budgetary Data

The State's biennial budgeting process utilizes a base-level concept, with amounts initially derived from the previous fiscal year's funded allocation. Subsequently and in accordance with the appropriations and funding provided by the legislature, individual state agencies have been charged with the responsibility to administer and manage their programs as authorized by the legislature. Agencies are also charged with the responsibility of preparing an annual operations plan as a part of the budgetary process for the operation of each of its assigned programs. State law provides for the establishment of a comprehensive financial management system to include adequate controls over receipts, expenditures, and balances of Agency funds. It is mandated that this system include a modified accrual system embracing encumbrance accounting, conform with generally accepted governmental accounting principles, and provide a reporting system whereby actual expenditures are compared to those projected in the Agency's annual operation plan.

L. Compensated Absences – Employee Leave

Annual leave is earned by all full-time employees. Upon termination, employees are entitled to receive compensation for their unused accrued annual leave up to 30 days. Liabilities for compensated absences are determined at the end of the year based on current salary rates.

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 Summary of Significant Accounting Policies (Continued)

L. Compensated Absences – Employee Leave (Continued)

Sick leave is earned by all full-time employees and may be accrued up to 120 days. Compensation up to a maximum of \$7,500 for unused sick leave is payable to employees upon retirement.

Compensated absences are reported in the State’s “government-wide” financial statements but are not reported as liabilities or expenditures in the governmental funds. However, the compensated absences payable attributable to this Agency’s employee annual and sick leave as of June 30, 2011 and 2010, amounted to \$210,102 and \$199,360, respectively. The net changes to compensated absences payable during the year ended June 30, 2011, amounted to \$10,742.

NOTE 2: External Investment Pool

Act 1179 of 1997 authorized the Arkansas Treasurer of State to establish the State Treasury Money Management Trust Fund for state agencies, local governments, and their subdivisions to enhance investment opportunities and earnings of idle cash funds. All participation in the fund is voluntary. At June 30, 2011, there were 30 participants in the fund, including the Treasurer of State’s investment of agency funds of the State.

The fund is not registered with the Securities and Exchange Commission (SEC) as an investment company. The portfolio of the Fund’s investments is determined by the chief investments officer of the Treasurer of State, in accordance with the State Treasury Management Law, with review by Treasury management. The fair values of the Fund’s investments are determined for financial statement purposes in accordance with the standards discussed in Note 1:F. Deposits and Investments. The total value of the participants’ shares in the pool is the same as the total value of the pool. No legally binding guarantees were provided or obtained to support the value of shares of the Fund.

The investments of the State Treasury Money Management Trust Fund at June 30, 2011, are summarized as follows:

Description of Investment	Fair Value	Principal Amount	Range of Interest Rates	Range of Maturity Dates
Money market accounts	\$ 129,162,648	\$ 129,162,648	1.00%	None
Federal agency securities	105,085,862	105,000,000	.25% to .75%	8/24/12 - 6/28/13
Totals	<u>\$ 234,248,510</u>	<u>\$ 234,162,648</u>		

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 2: External Investment Pool (Continued)

The summary financial statements of the fund are presented below:

STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Totals
<b>ASSETS</b>	
Investments:	
Money market accounts	\$ 129,162,648
Federal agency securities	105,085,862
Accrued interest receivable	115,198
<b>TOTAL ASSETS</b>	<b>\$ 234,363,708</b>
<b>NET ASSETS</b>	
Net assets held in trust for pool participants	
Treasurer of State	\$ 55,831,661
Other pool participants	178,532,047
<b>TOTAL NET ASSETS</b>	<b>\$ 234,363,708</b>

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	Totals
<b>ADDITIONS</b>	
Net increase (decrease) in the fair value of investments	\$ 231,352
Interest, dividends and other	699,847
Total investment income	931,199
Capital share and individual account transactions:	
Shares sold	46,182,000
Reinvested distributions	962,161
Shares redeemed	(47,915,900)
Net capital share and individual account transactions	(771,739)
<b>TOTAL ADDITIONS</b>	159,460
<b>DEDUCTIONS</b>	
Distributions to shareholders	962,161
<b>CHANGE IN NET ASSETS HELD FOR PLAN SPONSOR AND OTHER POOL PARTICIPANTS</b>	(802,701)
NET ASSETS - JULY 1	235,166,409
NET ASSETS - JUNE 30	<b>\$ 234,363,708</b>

ARKANSAS TREASURER OF STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 3: Notes Receivable – Arkansas Capital Corporation, Inc.

Arkansas Capital Corporation, Inc., (the corporation), is a privately-owned, tax-exempt nonprofit organization created under authority of Act 567 of 1957, the Arkansas Development Finance Corporation Act, to provide intermediate and long-term loans for expansion of Arkansas businesses. The Treasurer of State, in accordance with State Treasury Management Law and at the direction of the State Board of Finance, has loaned the corporation \$41,578,000, evidenced by notes receivable. These notes are valued at cost in Exhibit D and are payable to the State of Arkansas, secured by a lien on all assets of the corporation, and due as follows:

Maturity	Interest Rate	Balance June 30, 2011
May 15, 2012	1.25%	\$ 1,500,000
May 15, 2012	1.25%	1,500,000
August 6, 2012	1.25%	3,500,000
August 6, 2012	1.25%	4,200,000
December 16, 2015	0.75%	4,000,000
November 16, 2018	0.75%	26,878,000
Total		\$ 41,578,000

According to the corporation's most recently available audited financial statements at December 31, 2010, assets of the corporation are valued at \$50,254,844, consisting of bank deposits, investments, loans receivable, and other assets. Liabilities are \$47,840,473, including the notes described above and stockholder's equity totals \$2,414,371.



ARKANSAS TREASURER OF STATE  
DISTRIBUTION OF GENERAL REVENUES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1

Description	Amount	Percentage
Public education	\$ 3,138,976,239	55.32%
Human services	1,029,349,180	18.14%
Tax refunds	505,985,923	8.92%
Public safety	432,145,654	7.62%
General government	169,532,516	2.99%
Public health and environmental quality	95,177,160	1.68%
General revenue allotment reserve	93,947,443	1.66%
Aid to local governments	67,191,848	1.18%
Economic development, agriculture, and labor	45,638,507	0.80%
Parks, recreation, and heritage	28,709,750	0.51%
Other	66,750,365	1.18%
 Total general revenue distribution	 \$ 5,673,404,585	 100.00%

ARKANSAS TREASURER OF STATE  
DISTRIBUTION OF INTEREST RECEIPTS FROM THE SECURITIES RESERVE FUND (TAS)  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

Payee	Fund	Amount	Authority
87th Session Projects Fund	KBN	\$ 10,119,625	Ark. Code Ann. § 19-3-521 - Monies in the Securities Reserve Fund in excess of \$100,000 to be available to the Chief Fiscal Officer of the State for transfer to the State Budget Revolving Fund. Ark. Code Ann. § 20-78-504 - 50% of the interest income received to be credited to the 87th Session Projects Account.
84th Session Projects Account	KBK	0	Help America Vote Act funding for Secretary of State, Act 417 of 2007
County Aid Fund	MLC	704,254	Ark. Code Ann. §§ 27-70-204 – 27-70-206 - Distribution of interest on State Highway Department funds. (15% after Treasurer of State service charge)
Municipal Aid Fund	MLM	704,254	Ark. Code Ann. §§ 27-70-204 – 27-70-206 - Distribution of interest on State Highway Department funds. (15% after Treasurer of State service charge)
Various Funds	NAB-NWC	1,172,598	Ark. Code Ann. § 19-3-518 - Interest earnings on balances previously held as cash funds in financial institutions other than the State Treasury.
Federal Grant Interest	FIG	176,796	Interest earnings on deposits from the Edward Byrne Justice Assistance Grant Program.
Help America Vote Fund	FSS	85,251	Ark. Code Ann. § 7-4-101 - Interest earnings on deposits of the Help America Vote Fund.
Highway Department Fund	RRA	3,286,518	Ark. Code Ann. §§ 27-70-204 – 27-70-206 - Distribution of interest on State Highway Department funds. (70% after Treasurer of State service charge)
Game Protection Fund	SDG	678,921	Ark. Code Ann. § 15-41-110 - Interest earned on Game and Fish funds. (After 3% Treasurer of State service charge)
Budget Stabilization Trust Fund	TBS	10,119,625	Ark. Code Ann. § 19-3-521 - Monies in the Securities Reserve Fund in excess of \$100,000 to be available to the Chief Fiscal Officer of the State for transfer to the State Budget Revolving Fund. Ark. Code Ann. § 19-5-501 - 50% of the interest income received to be credited to the 85th Session Projects Account.
State Central Services Fund	HSC	96,805	Ark. Code Ann. §§ 27-70-204 – 27-70-206 - Distribution of interest on State Highway Department funds. Ark. Code Ann. § 15-41-110 - Interest earned on Game and Fish funds. (2/3 of Treasurer of State service charge)
Constitutional Officers Fund	MCF	48,403	Ark. Code Ann. §§ 27-70-204 – 27-70-206 - Distribution of interest on State Highway Department funds. Ark. Code Ann. § 15-41-110 - Interest earned on Game and Fish funds. (1/3 of Treasurer of State service charge)
TOTAL		<u>\$ 27,193,050</u>	

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 3

County	County Aid Fund (MLC)	Property Tax Relief Fund ( TPR)
Arkansas	\$ 1,348,545	\$ 1,444,484
Ashley	1,367,425	1,595,066
Baxter	1,827,124	4,168,493
Benton	3,625,185	17,323,776
Boone	1,444,683	3,214,282
Bradley	1,013,886	906,427
Calhoun	887,277	466,293
Carroll	1,321,922	2,291,223
Chicot	995,591	757,307
Clark	1,262,514	1,509,670
Clay	1,059,320	1,449,176
Cleburne	1,447,704	2,196,302
Cleveland	929,873	714,102
Columbia	2,701,877	1,713,188
Conway	1,803,379	1,740,208
Craighead	2,107,157	6,586,470
Crawford	2,016,526	4,638,064
Crittenden	1,360,239	3,294,678
Cross	1,092,103	1,389,962
Dallas	923,140	578,088
Desha	1,057,333	823,334
Drew	1,207,927	1,197,383
Faulkner	2,455,890	7,964,234
Franklin	1,386,205	1,466,189
Fulton	1,007,592	1,103,933
Garland	2,924,155	8,023,017
Grant	1,101,495	1,454,835
Greene	1,386,497	3,179,069
Hempstead	1,222,844	1,477,553
Hot Spring	1,403,553	2,638,350
Howard	1,007,342	988,472
Independence	1,604,286	2,818,373
Izard	1,002,969	1,236,970
Jackson	1,050,099	1,153,057
Jefferson	1,901,865	5,072,310

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 3

County	County Aid Fund (MLC)	Property Tax Relief Fund ( TPR)
Johnson	\$ 1,835,075	\$ 1,993,242
Lafayette	1,382,437	542,825
Lawrence	1,061,623	1,321,003
Lee	999,388	516,027
Lincoln	1,010,545	789,193
Little River	977,244	1,047,299
Logan	1,585,335	1,864,304
Lonoke	1,913,278	5,306,725
Madison	1,385,327	1,319,212
Marion	1,165,481	1,634,205
Miller	1,630,155	3,032,748
Mississippi	1,539,225	2,672,356
Monroe	909,671	564,783
Montgomery	2,634,745	825,355
Nevada	1,030,503	630,275
Newton	1,812,130	848,994
Ouachita	2,186,643	1,957,778
Perry	1,201,387	860,839
Phillips	1,202,290	1,150,404
Pike	1,043,993	853,689
Poinsett	1,253,260	1,722,226
Polk	2,197,361	1,649,107
Pope	2,432,846	4,634,161
Prairie	963,169	728,344
Pulaski	5,889,082	28,672,722
Randolph	1,120,673	1,432,625
Saline	2,491,793	9,464,935
Scott	2,823,439	813,048
Searcy	1,093,771	673,880
Sebastian	2,541,338	9,281,059
Sevier	1,038,007	1,068,929
Sharp	1,067,014	1,628,196
St. Francis	1,203,304	1,457,777
Stone	1,220,377	1,025,827
Union	3,152,454	3,278,237
Van Buren	1,450,393	1,451,463

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO COUNTIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 3

County	County Aid Fund (MLC)	Property Tax Relief Fund ( TPR)
Washington	\$ 3,604,949	\$ 12,924,358
White	2,340,884	5,351,119
Woodruff	876,773	501,702
Yell	2,415,972	1,499,577
	<u>2,415,972</u>	<u>1,499,577</u>
TOTALS	<u>\$ 121,938,856</u>	<u>\$ 217,564,886</u>

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Adona	\$ 12,400	\$ 425
Alexander	155,939	4,930
Alicia	8,654	329
Allport	7,741	288
Alma	295,274	9,447
Almyra	19,295	724
Alpena	24,028	843
Altheimer	70,245	2,707
Altus	50,256	1,855
Amagon	6,093	216
Amity	47,278	1,730
Anthonyville	13,677	568
Antoine	8,896	354
Arkadelphia	686,132	24,780
Arkansas City	31,674	1,338
Ash Flat	64,532	2,219
Ashdown	301,349	10,857
Atkins	185,768	6,536
Aubrey	12,710	502
Augusta	157,025	6,052
Austin	74,505	1,374
Avoca	28,433	961
Bald Knob	195,408	7,290
Banks	7,701	273
Barling	276,439	9,483
Bassett	10,767	382
Batesville	618,495	21,448
Bauxite	28,750	981
Bay	114,032	4,088
Bearden	67,239	2,555
Beaver	6,143	216
Beebe	372,478	11,195
Beedeville	6,701	238
Bella Vista	1,629,838	57,340
Bellefonte	26,698	908

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Belleville	\$ 25,266	\$ 843
Ben Lomond	8,460	286
Benton	1,809,277	62,942
Bentonville	1,981,451	64,995
Bergman	26,586	924
Berryville	304,080	10,067
Bethel Heights	128,908	4,115
Big Flat	6,612	236
Bigelow	20,484	747
Biggers	22,283	806
Birdsong	2,559	91
Biscoe	27,295	1,081
Black Oak	17,508	649
Black Rock	44,024	1,628
Black Springs	6,842	259
Blevins	21,855	829
Blue Eye	2,129	82
Blue Mountain	8,158	300
Bluff City	9,149	359
Blytheville	1,090,323	41,494
Bodcaw	9,350	350
Bonanza	34,096	1,167
Bono	111,397	3,434
Booneville	257,551	9,349
Bradford	49,634	1,817
Bradley	37,300	1,279
Branch	22,864	811
Briarcliff	15,100	545
Brinkley	230,558	8,947
Brookland	92,193	3,025
Bryant	793,269	22,173
Buckner	22,026	899
Bull Shoals	125,411	4,542
Burdette	9,736	293
Cabot	1,441,764	50,168

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Caddo Valley	\$ 37,477	\$ 1,279
Caldwell	31,724	1,056
Cale	4,851	170
Calico Rock	76,757	2,250
Calion	32,126	1,172
Camden	808,614	29,871
Cammack Village	51,042	1,887
Campbell Station	15,123	518
Caraway	83,674	3,063
Carlisle	143,656	5,232
Carthage	25,495	1,004
Casa	12,278	475
Cash	19,833	668
Caulksville	14,252	529
Cave City	122,193	4,419
Cave Springs	85,669	2,505
Cedarville	78,352	2,573
Centerton	454,349	12,765
Central City	32,900	1,206
Charleston	175,900	6,733
Cherokee Village	294,971	10,555
Cherry Valley	43,251	1,599
Chester	7,785	225
Chidester	20,958	818
Clarendon	116,666	4,451
Clarkedale	11,834	141
Clarksville	525,741	17,529
Clinton	152,654	5,184
Coal Hill	63,678	2,273
College City	21,735	611
Colt	23,561	836
Concord	15,873	579
Conway	3,484,339	119,062
Corning	224,747	8,355
Cotter	59,571	2,091



ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Cotton Plant	\$ 52,950	\$ 2,180
Cove	24,233	870
Coy	6,842	263
Crawfordsville	31,893	1,167
Crossett	371,266	13,846
Cushman	28,971	1,047
Daisy	7,398	268
Damascus	21,300	695
Danville	151,931	5,432
Dardanelle	280,844	9,601
Datto	6,219	220
Decatur	92,947	2,984
Delaplaine	7,766	288
Delight	18,890	706
Dell	15,191	570
Denning	18,212	613
DeQueen	386,071	13,092
Dermott	200,654	8,477
Des Arc	116,976	4,390
DeValls Bluff	45,451	1,778
DeWitt	218,407	8,066
Diamond City	47,549	1,658
Diaz	82,183	2,916
Dierks	75,455	2,793
Donaldson	20,017	740
Dover	85,412	3,018
Dumas	318,325	11,895
Dyer	44,400	1,328
Dyess	29,967	1,170
Earle	177,790	6,894
East Camden	57,862	2,048
Edmondson	30,529	1,165
Egypt	6,675	229
El Dorado	1,296,826	48,892
Elaine	49,004	1,964

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Elkins	\$ 151,530	\$ 5,048
Elm Springs	78,523	2,371
Emerson	22,965	815
Emmet	32,352	1,149
England	186,201	6,849
Enola	15,695	427
Etowah	22,803	831
Eudora	158,872	6,402
Eureka Springs	139,105	5,173
Evening Shade	28,618	1,056
Everton	9,833	386
Fairfield Bay	152,728	5,586
Fargo	6,969	268
Farmington	334,197	10,932
Fayetteville	4,415,750	152,508
Felsenthal	9,577	345
Fifty-Six	10,576	370
Fisher	15,724	602
Flippin	85,898	3,082
Fordyce	291,353	10,898
Foreman	68,375	2,555
Forrest City	950,815	33,550
Fort Smith	5,233,951	182,279
Fouke	52,693	1,849
Fountain Hill	8,087	361
Fountain Lake	28,279	929
Fourche	2,944	134
Franklin	12,008	418
Friendship	12,290	468
Fulton	14,406	556
Garfield	31,338	1,113
Garland	19,517	799
Garner	17,988	645
Gassville	117,447	3,874
Gateway	29,041	1,122

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Gentry	\$ 172,521	\$ 5,532
Georgetown	7,930	286
Gilbert	1,964	75
Gillett	48,616	1,860
Gillham	11,200	427
Gilmore	15,973	663
Glenwood	136,506	4,785
Goshen	55,685	1,708
Gosnell	240,715	9,011
Gould	70,837	2,964
Grady	31,257	1,188
Grannis	35,888	1,306
Gravette	130,768	4,297
Green Forest	173,198	6,170
Greenbrier	234,691	6,908
Greenland	66,335	2,060
Greenway	14,570	554
Greenwood	496,916	16,151
Greers Ferry	57,918	2,112
Griffithville	15,660	595
Grubbs	26,428	995
Guion	5,599	204
Gum Springs	10,419	441
Gurdon	142,539	5,169
Guy	38,787	1,247
Hackett	46,936	1,576
Hamburg	187,885	6,901
Hampton	93,570	3,586
Hardy	48,211	1,712
Harrell	17,573	665
Harrisburg	141,259	4,978
Harrison	789,162	27,596
Hartford	45,613	1,753
Hartman	35,804	1,353
Haskell	201,490	6,006

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Hatfield	\$ 25,739	\$ 913
Havana	24,399	890
Haynes	11,938	486
Hazen	99,415	3,717
Heber Springs	425,893	14,606
Hector	30,634	1,149
Helena-West Helena	881,849	34,090
Hermitage	50,246	1,746
Hickory Ridge	21,493	872
Higden	6,877	229
Higginson	30,078	858
Highfill	39,629	1,485
Highland	63,940	2,239
Hindsville	4,397	170
Holland	36,040	1,310
Holly Grove	42,699	1,640
Hope	659,195	24,108
Horatio	64,334	2,264
Horseshoe Bend	141,908	5,173
Horseshoe Lake	19,736	729
Hot Springs	2,245,226	81,184
Houston	10,424	361
Hoxie	177,486	6,397
Hughes	107,493	4,240
Humnoke	11,835	636
Humphrey	44,762	1,830
Hunter	8,440	345
Huntington	42,237	1,562
Huntsville	137,163	4,646
Huttig	42,916	1,660
Imboden	43,146	1,553
Jacksonport	14,303	534
Jacksonville	1,855,595	67,936
Jasper	30,734	1,131
Jennette	7,680	282

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Jericho	\$ 10,079	\$ 418
Jerome	2,737	104
Johnson	173,014	5,266
Joiner	35,111	1,226
Jonesboro	3,812,813	126,068
Judsonia	126,468	4,501
Junction City	42,131	1,637
Keiser	49,939	1,835
Kensett	109,825	4,067
Keo	15,414	534
Kibler	61,171	2,200
Kingsland	28,388	1,020
Knobel	20,882	813
Knoxville	37,921	1,160
Lafe	26,228	874
LaGrange	6,894	277
Lake City	127,069	4,442
Lake View	31,410	1,206
Lake Village	172,538	6,411
Lakeview	47,771	1,733
Lamar	94,420	3,213
Lavaca	127,307	4,144
Leachville	125,773	4,499
Lead Hill	17,774	652
Leola	32,265	1,170
Lepanto	129,037	4,844
Leslie	29,493	1,095
Letona	14,094	456
Lewisville	81,262	2,918
Lexa	19,828	752
Lincoln	125,497	4,097
Little Flock	163,726	5,870
Little Rock	11,861,387	415,867
Lockesburg	45,740	1,615
London	61,465	2,101

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Lonoke	\$ 270,465	\$ 9,735
Lonsdale	6,868	268
Louann	11,568	443
Lowell	389,995	12,222
Luxora	79,905	2,991
Lynn	19,269	715
Madison	57,008	2,241
Magazine	56,236	2,078
Magness	12,375	434
Magnet Cove	17,726	1,029
Magnolia	740,449	26,719
Malvern	604,115	20,486
Mammoth Spring	68,355	2,605
Manila	200,742	6,938
Mansfield	70,541	2,491
Marianna	301,230	11,765
Marie	6,234	245
Marion	713,238	23,651
Marked Tree	171,434	6,358
Marmaduke	72,157	2,630
Marshall	80,495	2,982
Marvell	83,077	3,168
Maumelle	1,009,054	34,324
Mayflower	118,530	3,704
Maynard	25,268	865
McCaskill	5,623	191
McCrary	114,118	4,201
McDougal	12,123	443
McGehee	280,586	10,378
McNab	4,573	170
McNeil	38,242	1,503
McRae	42,396	1,501
Melbourne	110,382	3,799
Mena	359,555	12,801
Menifee	19,470	706

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Midland	\$ 17,842	\$ 575
Midway	22,848	777
Mineral Springs	78,644	2,870
Minturn	7,094	259
Mitchellville	28,019	1,129
Monette	82,805	2,677
Monticello	587,385	20,769
Montrose	28,972	1,194
Moorefield	9,553	363
Moro	14,633	547
Morrilton	420,337	14,874
Morrison Bluff	4,434	168
Mount Ida	64,533	2,228
Mount Pleasant	25,726	911
Mount Vernon	9,146	327
Mountain Home	733,728	25,007
Mountain Pine	48,846	1,753
Mountain View	178,925	6,531
Mountainburg	41,908	1,549
Mulberry	103,756	3,695
Murfreesboro	108,620	4,006
Nashville	302,619	11,077
Newark	76,122	2,768
Newport	496,442	17,738
Nimmons	5,551	227
Norfolk	31,337	1,099
Norman	25,655	961
Norphlet	52,618	1,867
North Little Rock	3,874,887	137,236
Oak Grove	23,638	854
Oak Grove Heights	50,137	1,651
Oakhaven	3,647	123
Oden	14,237	500
Ogden	12,696	486
Oil Trough	14,868	495

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
O'Kean	\$ 12,554	\$ 456
Okolona	9,806	363
Ola	78,202	2,734
Omaha	10,552	375
Oppelo	47,333	1,646
Osceola	533,883	20,154
Oxford	41,369	1,458
Ozan	5,231	184
Ozark	227,278	8,005
Palestine	45,418	1,683
Pangburn	40,084	1,485
Paragould	1,497,922	49,998
Paris	229,986	8,418
Parkdale	21,353	856
Parkin	88,915	3,638
Patmos	3,939	139
Patterson	29,200	1,061
Pea Ridge	210,406	5,327
Peach Orchard	10,836	443
Perla	10,466	261
Perry	18,777	713
Perrytown	16,580	579
Perryville	92,396	3,311
Piggott	245,498	8,843
Pindall	6,446	216
Pine Bluff	3,339,254	125,205
Pineville	15,379	559
Plainview	44,107	1,715
Pleasant Plains	18,982	606
Plumerville	53,383	1,939
Pocahontas	415,103	14,802
Pollard	14,746	545
Portia	29,430	1,097
Portland	31,881	1,254
Pottsville	172,476	6,011



ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Powhatan	\$ 3,722	\$ 114
Poyen	17,682	618
Prairie Grove	240,512	7,746
Prattsville	18,442	640
Prescott	223,611	8,370
Pyatt	15,216	575
Quitman	46,435	1,621
Ratcliff	12,375	434
Ravenden	31,330	1,160
Ravenden Springs	8,197	311
Rector	126,740	4,580
Redfield	76,816	2,627
Reed	14,034	624
Reyno	29,948	1,099
Rison	82,345	2,886
Rockport	49,228	1,799
Roe	7,601	282
Rogers	3,266,645	110,515
Rondo	14,026	538
Rose Bud	28,510	974
Rosston	16,683	602
Rudy	4,282	164
Russell	14,138	518
Russellville	1,606,964	53,779
Salem	101,880	3,613
Salesville	28,006	992
Scranton	14,111	504
Searcy	1,298,083	42,983
Sedgwick	8,104	254
Shannon Hills	155,728	4,553
Sheridan	263,700	8,793
Sherrill	6,920	286
Sherwood	1,564,762	48,849
Shirley	20,183	765
Sidney	15,044	624

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Siloam Springs	\$ 912,573	\$ 31,770
Smackover	123,455	4,553
Smithville	4,750	166
South Lead Hill	5,927	200
Sparkman	33,100	1,331
Springdale	4,141,261	141,837
Springtown	6,539	259
St. Charles	15,748	593
St. Francis	15,834	568
St. Joe	8,246	293
St. Paul	9,061	370
Stamps	123,910	4,839
Star City	151,531	5,611
Stephens	66,373	2,616
Strawberry	18,404	643
Strong	38,884	1,478
Stuttgart	606,637	22,130
Subiaco	31,163	997
Success	10,618	409
Sulphur Rock	27,549	956
Sulphur Springs	38,459	1,524
Summit	37,570	1,331
Sunset	18,372	790
Swifton	53,323	1,978
Taylor	35,849	1,285
Texarkana	1,762,785	60,060
Thornton	29,967	1,174
Tillar	14,822	545
Tinsman	4,220	170
Tollette	18,400	736
Tontitown	139,432	4,610
Traskwood	33,951	1,244
Trumann	428,065	15,644
Tuckerman	113,934	3,990
Tull	24,947	813

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Tupelo	\$ 11,286	\$ 402
Turrell	52,321	2,173
Twin Groves	18,971	627
Tyronza	54,204	2,085
Ulm	12,100	466
Valley Springs	10,981	379
Van Buren	1,298,600	43,115
Vandervoort	6,767	273
Victoria	3,181	134
Vilonia	176,544	4,782
Viola	23,020	865
Wabbaseka	18,741	733
Waldenburg	4,587	182
Waldo	95,353	3,620
Waldron	224,964	7,966
Walnut Ridge	311,050	11,184
Ward	200,959	5,859
Warren	396,931	14,629
Washington	10,182	336
Watson	16,297	654
Weiner	47,025	1,726
Weldon	5,702	227
West Fork	136,278	4,637
West Memphis	1,716,395	62,826
West Point	12,593	472
Western Grove	25,197	924
Wheatley	23,132	845
Whelen Springs	5,522	191
White Hall	319,761	10,746
Wickes	44,747	1,533
Widener	19,652	761
Wiederkehr Village	2,711	104
Williford	4,293	143
Willisville	10,998	427
Wilmar	34,650	1,297

ARKANSAS TREASURER OF STATE  
DISTRIBUTIONS TO CITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

City	Municipal Aid Fund (MLM)	Property Tax Relief Fund (TPR)
Wilmot	\$ 43,823	\$ 1,785
Wilson	58,564	2,132
Wilton	26,163	997
Winchester	11,491	434
Winslow	25,069	906
Winthrop	11,932	422
Wooster	41,369	1,172
Wrightsville	105,194	3,107
Wynne	539,385	19,564
Yellville	80,370	2,979
Zinc	5,495	173
<b>Totals</b>	<b>\$ 114,470,740</b>	<b>\$ 4,000,000</b>

ARKANSAS TREASURER OF STATE  
SCHEDULE OF SELECTED INFORMATION  
FOR THE FIVE YEAR PERIOD ENDED JUNE 30, 2011  
(Unaudited)

Schedule 5

	For the Year Ended June 30,				
	2011	2010	2009	2008	2007
<u>General Fund</u>					
Total Assets	\$ 218,622,640	\$ 218,371,541	\$ 227,107,179	\$ 245,714,371	\$ 216,193,892
Total Liabilities	25,470,359	26,679,100	36,931,615	71,809,587	49,372,761
Total Fund Equity	193,152,281	191,692,441	190,175,564	173,904,784	166,821,131
Net Revenues	309,664,098	310,459,715	371,502,879	418,630,356	167,907,773
Total Expenditures	515,552,057	495,235,219	494,593,055	498,020,517	530,909,122
Total Other Financing Sources (Uses)	207,347,840	186,292,381	139,360,956	86,473,812	345,224,355
<u>Aggregate Remaining Fund Information</u>					
Total Assets	3,507,766,879	3,574,215,745	3,645,723,463	3,492,347,302	3,315,571,887
Total Liabilities	3,273,403,171	3,339,049,336	3,451,354,262	3,310,735,159	3,152,077,754
Total Net Assets	234,363,708	235,166,409	194,369,201	181,612,143	163,494,133
Total Additions	16,794,044,047	16,304,440,458	15,175,962,492	14,705,578,432	14,161,565,143
Total Deletions	16,860,492,915	16,375,948,176	15,022,586,331	14,528,803,017	13,796,303,269