

Independence County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2014

LEGISLATIVE JOINT AUDITING COMMITTEE



INDEPENDENCE COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Independent Auditor's Report
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*

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund – Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Road Fund – Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	4-3

Arkansas

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Senate Chair
Sen. Linda Chesterfield
Senate Vice Chair



Rep. Mary Broadaway
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Rep. Sue Scott
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Independence County, Arkansas, as of and for the year ended December 31, 2014, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Independence County, Arkansas, as of December 31, 2014, or the revenues, expenditures, and changes in net position and where applicable, cash flows, thereof for the year then ended.

Basis for Adverse Opinion on Regulatory Basis of Accounting

The Independence County White River Hydroelectric Funds have not been included in the County's regulatory basis financial statements. The regulatory basis as prescribed or permitted by Ark. Code Ann. § 10-4-412, requires the Independence County White River Hydroelectric Funds to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues, and expenditures. The amount by which this departure would affect the assets, liabilities, revenues, and expenditures of the other funds in the aggregate column is not reasonably determinable. The County's financial statements also do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Adverse Opinion on Regulatory Basis of Accounting

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory basis of accounting, as described in Note 1, the financial position of the other funds in the aggregate of Independence County, Arkansas, as of December 31, 2014, and the regulatory basis revenues, expenditures, and changes in net position for the year then ended.

Basis for Qualified Opinions on Regulatory Basis of Accounting

The County's financial statements do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the omission of the information described in the "Basis for Qualified Opinions on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund and road fund of Independence County, Arkansas, as of December 31, 2014, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of the Ark. Code Ann. § 10-4-412 described in Note 1.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matters discussed above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
December 3, 2015
LOCO03214

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Linda Chesterfield
Senate Vice Chair



Rep. Mary Broadaway
House Chair
Rep. Sue Scott
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Independence County, Arkansas, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2015. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinion on the other funds in the aggregate was adverse because of the effects on the financial statements of not including the Independence County White River Hydroelectric Funds, which are material to other funds in the aggregate. Our opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit risks.

Internal Control Over Financial Reporting

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

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

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

2014-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

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

Compliance and Other Matters

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

Entity's Response to Finding

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

Other Issues

The 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 2014:

County Judge: Robert Griffin
Treasurer: Robert Treadway
Sheriff: Steve Jeffery
Tax Collector: Janet Perkey
County Clerk: Tracey Mitchell
Circuit Clerk: Deborah Finley
Assessor: Sue Coots
County Librarian: Debra Sutterfield
District Court Clerk: Tammy Gregory

Our audit procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with accepted accounting practices was noted in the office of **District Court Clerk**.

The following Information Systems weakness was discovered during a review of computer applications:

Documented application recovery plans for the District Court Clerk were not tested to verify their effectiveness. A plan that is not periodically tested and updated with current conditions could prove unreliable in a disaster situation.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 3, 2015

INDEPENDENCE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2014

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,003,846	\$ 1,146,194	\$ 7,599,505
Accounts receivable	489,722	164,574	559,795
Interfund receivable			961
	\$ 2,493,568	\$ 1,310,768	\$ 8,160,261
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 238,904	\$ 339,112	\$ 133,495
Interfund payable		961	
Settlements pending			952,674
Total Liabilities	238,904	340,073	1,086,169
Fund Balances:			
Restricted			5,442,754
Committed		970,695	914,935
Assigned	1,104,981		717,436
Unassigned	1,149,683		(1,033)
Total Fund Balances	2,254,664	970,695	7,074,092
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,493,568	\$ 1,310,768	\$ 8,160,261

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

INDEPENDENCE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,645,441	\$ 2,371,842	\$ 399,683
Federal aid	66,215	397,699	766,259
Property taxes	2,295,141	1,172,295	473,323
Sales taxes	143,927	1,439,269	4,551,515
Fines, forfeitures, and costs	539,780		183,117
Interest	6,039	9,318	34,614
Officers' fees	371,933		227,425
Jail fees	1,067,079		37,467
Reimbursement for law enforcement expenditures	1,635,354		
Solid waste fees			822,621
Reimbursement for hydroelectric expenditures			532,292
911 fees			137,127
Treasurer's commission	96,132		40,000
Collector's commission	217,960		100,655
Taxes apportioned - Assessor's salary and expense	330,023		
Other	362,326	447,453	746,323
	8,777,350	5,837,876	9,052,421
TOTAL REVENUES			
Less: Treasurer's commission	35,586	25,731	36,952
	8,741,764	5,812,145	9,015,469
NET REVENUES			
EXPENDITURES			
Current:			
General government	1,818,313		242,862
Law enforcement	6,317,208		768,727
Highways and streets		5,461,117	369,597
Public safety	87,728		3,228,009
Sanitation			1,478,818
Health	1,871		60,813
Recreation and culture	65,449		553,768
Social services	100,615		597,876
Economic development			737,002
Hydroelectric project			528,972
Total Current	8,391,184	5,461,117	8,566,444
Debt Service:			
Loan principal	38,435	309,514	267,363
Loan interest	5,827	13,161	30,701
Lease principal		121,408	
Lease interest		5,148	
	8,435,446	5,910,348	8,864,508
TOTAL EXPENDITURES			

INDEPENDENCE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 306,318</u>	<u>\$ (98,203)</u>	<u>\$ 150,961</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			193,806
Transfers out	(173,770)		(20,036)
Loan proceeds			<u>13,500</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(173,770)</u>		<u>187,270</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	132,548	(98,203)	338,231
FUND BALANCES - JANUARY 1	<u>2,122,116</u>	<u>1,068,898</u>	<u>6,735,861</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,254,664</u>	<u>\$ 970,695</u>	<u>\$ 7,074,092</u>

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

INDEPENDENCE 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, 2014

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,561,413	\$ 1,645,441	\$ 84,028	\$ 2,628,118	\$ 2,371,842	\$ (256,276)
Federal aid	73,000	66,215	(6,785)	550,000	397,699	(152,301)
Property taxes	1,952,125	2,295,141	343,016	1,032,300	1,172,295	139,995
Sales taxes	504,905	143,927	(360,978)	1,837,248	1,439,269	(397,979)
Fines, forfeitures, and costs	670,750	539,780	(130,970)			
Interest	1,500	6,039	4,539	2,400	9,318	6,918
Officers' fees	186,237	371,933	185,696			
Jail fees	1,185,207	1,067,079	(118,128)			
Reimbursement for law enforcement expenditures	1,941,990	1,635,354	(306,636)			
Treasurer's commission		96,132	96,132			
Collector's commission	238,122	217,960	(20,162)			
Taxes apportioned - Assessor's salary and expense	455,588	330,023	(125,565)			
Other	364,299	362,326	(1,973)	552,600	447,453	(105,147)
TOTAL REVENUES	9,135,136	8,777,350	(357,786)	6,602,666	5,837,876	(764,790)
Less: Treasurer's commission		35,586	(35,586)		25,731	(25,731)
NET REVENUES	9,135,136	8,741,764	(393,372)	6,602,666	5,812,145	(790,521)
EXPENDITURES						
Current:						
General government	2,318,090	1,818,313	499,777			
Law enforcement	6,797,221	6,317,208	480,013			
Highways and streets				5,887,228	5,461,117	426,111
Public safety	120,887	87,728	33,159			
Health	5,782	1,871	3,911			
Recreation and culture	10,584	65,449	(54,865)			
Social services	141,926	100,615	41,311			
Total Current	9,394,490	8,391,184	1,003,306	5,887,228	5,461,117	426,111
Debt Service:						
Loan principal	38,435	38,435		213,671	309,514	(95,843)
Loan interest	5,827	5,827		288,139	13,161	274,978
Lease principal					121,408	(121,408)
Lease interest				5,148	5,148	
TOTAL EXPENDITURES	9,438,752	8,435,446	1,003,306	6,394,186	5,910,348	483,838

INDEPENDENCE 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, 2014

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (303,616)	\$ 306,318	\$ 609,934	\$ 208,480	\$ (98,203)	\$ (306,683)
OTHER FINANCING SOURCES (USES)						
Transfers in	120,446		(120,446)			
Transfers out	(423,673)	(173,770)	249,903			
TOTAL OTHER FINANCING SOURCES (USES)	(303,227)	(173,770)	129,457			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(606,843)	132,548	739,391	208,480	(98,203)	(306,683)
FUND BALANCES - JANUARY 1	1,709,819	2,122,116	412,297	250,000	1,068,898	818,898
FUND BALANCES - DECEMBER 31	<u>\$ 1,102,976</u>	<u>\$ 2,254,664</u>	<u>\$ 1,151,688</u>	<u>\$ 458,480</u>	<u>\$ 970,695</u>	<u>\$ 512,215</u>

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

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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. The following funds of the County are not presented in this report: Independence County White River Hydroelectric Funds.

B. Basis of Presentation - Regulatory Fund Accounting

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

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

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

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: County General, County Reserve, County Contingency, and Juvenile Detention.

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

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

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following Special Revenue Funds are reported with other funds in the aggregate: Treasurer's Automation, Collector's Automation, Circuit Court Automation, County Clerk's Cost, County Recorder's Cost, Solid Waste, Assessor's Amendment no. 79, Child Support Fee, Court Security Grant, Communication Facility and Equipment, Boating Safety, Emergency 911, Fire Equipment and Training (Act 833), Indigent Defense, Juvenile Probation, Juvenile Court Representation, Circuit Clerk Commissioner's Fee, Hydroelectric Project, Jail Fine, Department of Human Services/Health Building, Disaster Recovery, Economic Development, Sales Tax – Law Enforcement, Sales Tax – Fire Department, Sales Tax – Recreation, Drug Court Program, Driving While Intoxicated Court, Independence County Shooting Sports, Juvenile Detention Maintenance, Law Enforcement (Act 442), Jail Booking and Administration (Act 117), Drug Court Program Fee (Act 490), Drug Court Graduation, Fire Department Sales Tax, Sheriff's Special Needs, Sheriff Drug and Investigation, Senior Citizens, Sheriff's Grant, and County Library.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The following Capital Projects Funds are reported with other funds in the aggregate: Future Fuel Rail Spur, Disaster Bridge, Help and Hope, United States Department of Agriculture Firefighter Training, Wildlife Observation Trail, Bad Boy, Independence County Shooting Sports Grant, General Improvement Workforce Training, Juvenile Detention Construction, and Voting System Grant.

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Regulatory Fund Accounting (Continued)

Other Funds in the Aggregate (Continued)

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: Treasurer (Collector's Unapportioned and Bethesda Fire Department); Collector (Current and Trash); Sheriff (Fee, Drug-Buy, Bond and Fine, Commissary, and Drug Seizure); County Clerk (Fee and Bond); Circuit Clerk (Fee and Trust); and District Court Clerk (County).

C. Basis of Accounting

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

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, state aid, sales taxes, and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

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.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2014 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 120,560		\$ 7,525
Federal aid	6,662		19,789
Property taxes	21,622	\$ 7,313	2,841
Sales taxes	12,409	124,091	357,239
Fines, forfeitures, and costs	76,778		7,504
Interest	79	25	16
Officers' fees	19,523		17,261
Jail fees	55,937		491
Reimbursement for law enforcement expenditures	155,598		
Solid waste fees			105,423
911 fees			15,610
Treasurer's commission	8,181		
Other	12,373	33,145	26,096
Totals	<u>\$ 489,722</u>	<u>\$ 164,574</u>	<u>\$ 559,795</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2014 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 131,577	\$ 310,003	\$ 105,072
Salaries payable	69,445	18,205	18,404
Payroll taxes payable	37,882	10,904	10,019
Totals	<u>\$ 238,904</u>	<u>\$ 339,112</u>	<u>\$ 133,495</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2014	
	Interfund Receivable	Interfund Payable
Road		\$ 961
Other Funds in the Aggregate:		
Special Revenue:		
Boating Safety	\$ 961	
Totals	<u>\$ 961</u>	<u>\$ 961</u>

Interfund receivable and payable consists of an error in depositing restricted revenue. The balance was repaid July 21, 2015.

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2014, the legal debt limit for bonded debt was \$44,669,808. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2014, the legal debt limit for short-term financing obligations was \$13,841,092. The amount of short-term financing obligations was \$1,809,475, leaving a legal debt margin of \$12,031,617.

NOTE 8: Details of Fund Balance Classification s

Fund balance classifications at December 31, 2014 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 725,336
Law enforcement			419,147
Public safety			339,067
Recreation and culture			3,046,507
Economic development			809,163
Capital outlay			103,534
Total Restricted			<u>5,442,754</u>
Committed for:			
Law enforcement			462,744
Highways and streets		\$ 970,695	
Health			104,003
Public safety			33,091
Recreation and culture			263,104
Sanitation			47,834
Hydroelectric project			4,159
Total Committed		<u>970,695</u>	<u>914,935</u>
Assigned to:			
Law enforcement	\$ 1,104,981		258
Public safety			25,761
Sanitation			639,660
Social services			35,212
Capital outlay			16,545
Total Assigned	<u>1,104,981</u>		<u>717,436</u>
Unassigned	<u>1,149,683</u>		<u>(1,033)</u>
Totals	<u>\$ 2,254,664</u>	<u>\$ 970,695</u>	<u>\$ 7,074,092</u>

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9: Deficit Fund Balances

The following fund has a deficit fund balance as of December 31, 2014:

Fund	December 31, 2014
Other Funds in the Aggregate:	
Special Revenue:	
Independence County Shooting Sports	\$ (1,033)

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2014:

	December 31, 2014
Long-term liabilities	\$ 1,926,932
Noncancellable leases	81,304
Construction contracts	698,215
Total Commitments	\$ 2,706,451

Long-Term Liabilities

Long-term liabilities at December 31, 2014 are comprised of the following:

	December 31, 2014
Loan payable to White River Planning and Development District, Inc., entered into on March 25, 2010, for the purchase of three police cars to be repaid in five annual installments of \$17,084 beginning March 25, 2011. The interest rate is 4.5%. Payments are to be made from the General Fund.	\$ 16,349
Loan payable to First Community Bank, entered into on September 29, 2014, to refinance graders purchased in 2009 to be repaid in 27 monthly payments of \$8,675 and a final payment of \$8,842 beginning October 29, 2014. The interest rate is 2.94%. Payments are to be made from the Road Fund.	202,027
Loan payable to Citizens Bank, entered into on October 3, 2011, for the purchase of an asphalt zipper to be repaid in 60 monthly payments of \$1,672 beginning November 3, 2011. The interest rate is 3.15%. Payments are to be made from the Road Fund.	35,690
Loan payable to Citizens Bank, entered into on September 20, 2012, to refinance the recycling center to be repaid in 66 monthly payments of \$4,941 beginning October 20, 2012. The interest rate is 2.63%. Payments are to be made from the Solid Waste Fund.	184,395
Loan payable to Citizens Bank, entered into on September 20, 2012, to refinance five sanitation trucks to be repaid in 58 monthly payments of \$7,307 beginning October 20, 2012. The interest rate is 2.63%. Payments are to be made from the Solid Waste Fund.	218,665
Lease-purchase agreement with Summit Bank entered into on May 5, 2011, for the purchase of a 2002 gradall to be repaid with 60 monthly payments of \$995. The interest rate is 4.04%. Payments are to be made from the Road Fund.	14,592
Lease-purchase agreement with Caterpillar entered into on July 22, 2011, for the purchase of a 963C track loader to be repaid with 47 monthly payments of \$3,383. The interest rate is 3.75%. Payments are to be made from the Road Fund.	23,388

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10: Commitments (Continued)

Long-Term Liabilities (Continued)

	December 31, 2014
Loan payable to White River Planning and Development District, Inc., entered into on January 9, 2013 for the purchase of four police cars to be repaid in four annual installments of \$22,178 beginning January 9, 2014. The interest rate is 4.5% Payments are to be made from the General Fund.	\$ 74,710
Lease-purchase agreement with John Deere entered into on May 10, 2013, for the purchase of a John Deere 7230 tractor to be repaid with 36 monthly payments of \$964 and one payment of \$9,562. The interest rate is 7.219%. Payments are to be made from the Road Fund.	23,351
Lease-purchase agreement with Bancorp South Equipment Finance entered into on November 19, 2013, for the purchase of a 2013 Cat 140M motor grader to be repaid with 35 monthly payments of \$1,972 and one payment of \$160,972. The interest rate is 0%. Payment are to be made from the Road Fund.	206,333
Lease-purchase agreement with Bancorp South Equipment Finance entered into on November 19, 2013, for the purchase of a 2013 Cat 140M motor grader to be repaid with 35 monthly payments of \$1,982 and one payment of \$160,982. The interest rate is 0%. Payment are to be made from the Road Fund.	206,567
Loan payable to Citizens Bank, entered into on March 14, 2014, to purchase a Ford F350 truck to be repaid in 48 monthly payments of \$547 beginning April 14, 2014. The interest rate is 2.99%. Payments are to be made from the Road Fund.	20,293
Loan payable to Centennial Bank, entered into on April 23, 2014, to purchase computer hardware to be repaid in 36 monthly payments of \$524 beginning May 10, 2014. The interest rate is 3.3%. Payments are to be made from the County Clerk's Cost Fund.	14,119
Loan payable to Citizens Bank, entered into on September 20, 2012, to refinance the Department of Human Services and Health Building to be repaid in 84 monthly payments of \$10,665 beginning October 20, 2012. The interest rate is 2.73%. Payments are to be made from the Department of Human Services/ Health Building Fund.	568,996
Arkansas District Judge's Retirement Liability - Payments are to be made from the General Fund.	117,457
Total Long-Term Liabilities	<u>\$ 1,926,932</u>

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

Post Employment Benefits Other Than Pensions

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

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2014:

<u>Years Ending December 31,</u>	<u>Notes</u>	<u>Leases</u>	<u>Total</u>
2015	\$ 456,234	\$ 94,637	\$ 550,871
2016	435,973	381,850	817,823
2017	274,259		274,259
2018	144,444		144,444
2019	95,985		95,985
Total Obligations	<u>1,406,895</u>	<u>476,487</u>	<u>1,883,382</u>
Less Interest	<u>71,651</u>	<u>2,256</u>	<u>73,907</u>
Total Principal	<u>\$ 1,335,244</u>	<u>\$ 474,231</u>	<u>\$ 1,809,475</u>

Noncancellable Leases

The County entered into a noncancellable lease agreement for a Xerox CC35 copy center on May 28, 2010. Terms of the lease are monthly rental payments of \$187 for 60 months. At the end of the lease term, the County will return the copier to Xerox.

The County entered into a noncancellable lease agreement for a F150 truck on November 6, 2012. Terms of the lease are monthly rental payments of \$600 for 26 months. At the end of the lease term, the County will return the truck to Mark Martin.

The County entered into a noncancellable lease agreement for a 2012 GMC Sierra 1500 truck on March 30, 2014. Terms of the lease are monthly rental payments of \$500 for 21 months. At the end of the lease term, the County will return the truck to Stanley Wood.

The County entered into a noncancellable lease agreement for a 2014 Silverado 1500 truck on March 30, 2014. Terms of the lease are monthly rental payments of \$600 for 33 months. At the end of the lease term, the County will return the truck to Stanley Wood.

The County entered into a noncancellable lease agreement for a 2014 John Deere 670G motor grader on July 25, 2014. Terms of the lease are monthly rental payments of \$1,922 for 36 months. At the end of the lease term, the County will return the grader to John Deere.

The County is obligated for the following amounts for the next three years:

<u>Year</u>	<u>December 31, 2014</u>
2015	\$ 36,986
2016	30,264
2017	<u>14,054</u>
Total	<u>\$ 81,304</u>

Rental expense for 2014 was \$33,758.

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10: Commitments (Continued)

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2014:

Project Name	Estimated or Actual Completion Date	Contract Balance December 31, 2014
Disaster Bridge I	February 12, 2015	\$ 49,759
Workforce/ Firefighter Training Center	December 31, 2015	648,456
Total		<u>\$ 698,215</u>

NOTE 11: Interfund Transfers

The General Fund transferred \$72,580 to the Other Funds in the Aggregate (Emergency 911, Indigent Defense, and Senior Citizens) for supplemental funding. Also, the General Fund transferred \$101,190 to the Other Funds in the Aggregate (General Improvement Workforce Training and Court Security Grant) for prior year deposit corrections. Within the Other Funds in the Aggregate, Sales Tax – Recreation transferred \$20,036 to Independence County Shooting Sports for supplemental funding.

NOTE 12: Subsequent Events

On May 13, 2015, the County executed a lease-purchase agreement with Bancorp South Equipment Finance for the purchase of three Mack trucks for the Road Department. Terms are as follows: monthly payments of \$5,875 for 36 months at 2.29% interest plus an end-of-term balloon payment of \$222,750.

On January 26, 2015, the County was awarded a United States Department of Housing and Urban Development Grant in the amount of \$2,242,520 for expansion of a poultry facility.

On June 9, 2015, the County was awarded a United States Commerce Department Economic Development Administration Grant in the amount of \$1,250,000 to upgrade infrastructure for expansion of a poultry facility.

NOTE 13: Joint Venture: White River Regional Library

Independence, Stone, Sharp, Cleburne, Izard, and Fulton Counties entered into an agreement in May 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the White River Regional Library. Initially, the parties agreed to the formation of a regional library board for a period of two years. The Board's existence was to continue from year to year thereafter, unless a participating member gave notice of cancellation at least 60 days prior to the end of the fiscal year. The White River Regional Library Board is comprised of one board member from each of the participating counties. The County Library did not pay any regional library expenditures in 2014. Contact the White River Regional Library at 368 East Main Street, Batesville, Arkansas 72501 to obtain financial statements.

NOTE 14: Risk Management

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

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 14: Risk Management (Continued)

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

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

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 agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

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

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (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, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

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. The County's contributions to the plan for the year ended December 31, 2014 were \$1,011,906.

NOTE 16: Reimbursement of Law Enforcement Expenditures

The County entered into interlocal agreements with the Cities of Batesville and Newark to provide law enforcement services. Under the agreement, the Cities reimburse the County for certain costs associated with law enforcement personnel provided by the County. The City of Batesville gave the County the required six months notice for termination of this agreement on December 18, 2014.

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	County Clerk's Cost	County Recorder's Cost	Solid Waste	Assessor's Amendment no. 79	Child Support Fee	Court Security Grant
ASSETS									
Cash and cash equivalents	\$ 119,520	\$ 293,085	\$ 78,741	\$ 3,633	\$ 198,876	\$ 571,525	\$ 74,094	\$ 24,163	\$ 1
Accounts receivable			973	553	11,955	186,321		111	
Interfund receivable									
TOTAL ASSETS	<u>\$ 119,520</u>	<u>\$ 293,085</u>	<u>\$ 79,714</u>	<u>\$ 4,186</u>	<u>\$ 210,831</u>	<u>\$ 757,846</u>	<u>\$ 74,094</u>	<u>\$ 24,274</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 4,555				\$ 2,048	\$ 70,352			
Settlements pending									
Total Liabilities	<u>4,555</u>				<u>2,048</u>	<u>70,352</u>			
Fund Balances:									
Restricted	114,965	\$ 293,085	\$ 79,714	\$ 4,186	208,783		\$ 74,094	\$ 24,274	\$ 1
Committed						47,834			
Assigned						639,660			
Unassigned									
Total Fund Balances	<u>114,965</u>	<u>293,085</u>	<u>79,714</u>	<u>4,186</u>	<u>208,783</u>	<u>687,494</u>	<u>74,094</u>	<u>24,274</u>	<u>1</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 119,520</u>	<u>\$ 293,085</u>	<u>\$ 79,714</u>	<u>\$ 4,186</u>	<u>\$ 210,831</u>	<u>\$ 757,846</u>	<u>\$ 74,094</u>	<u>\$ 24,274</u>	<u>\$ 1</u>

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS									
	Communication Facility and Equipment	Boating Safety	Emergency 911	Fire Equipment and Training (Act 833)	Indigent Defense	Juvenile Probation	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Hydroelectric Project
ASSETS									
Cash and cash equivalents	\$ 49,997	\$ 12,414	\$ 104,275					\$ 5,949	\$ 4,212
Accounts receivable	1,617		15,609	\$ 3,256	\$ 608	\$ 41	\$ 1,046		
Interfund receivable		961							
TOTAL ASSETS	<u>\$ 51,614</u>	<u>\$ 13,375</u>	<u>\$ 119,884</u>	<u>\$ 3,256</u>	<u>\$ 608</u>	<u>\$ 41</u>	<u>\$ 1,046</u>	<u>\$ 5,949</u>	<u>\$ 4,212</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 76	\$ 33	\$ 4,067	\$ 2,985	\$ 350				\$ 53
Settlements pending									
Total Liabilities	<u>76</u>	<u>33</u>	<u>4,067</u>	<u>2,985</u>	<u>350</u>				<u>53</u>
Fund Balances:									
Restricted	51,538	13,342	90,056	271		\$ 41	\$ 1,046	\$ 5,949	
Committed									4,159
Assigned			25,761		258				
Unassigned									
Total Fund Balances	<u>51,538</u>	<u>13,342</u>	<u>115,817</u>	<u>271</u>	<u>258</u>	<u>41</u>	<u>1,046</u>	<u>5,949</u>	<u>4,159</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,614</u>	<u>\$ 13,375</u>	<u>\$ 119,884</u>	<u>\$ 3,256</u>	<u>\$ 608</u>	<u>\$ 41</u>	<u>\$ 1,046</u>	<u>\$ 5,949</u>	<u>\$ 4,212</u>

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS

	Jail Fine	Department of Human Services/Health Building	Disaster Recovery	Economic Development	Sales Tax - Law Enforcement	Sales Tax - Fire Department	Sales Tax - Recreation	Drug Court Program	Driving While Intoxicated Court
ASSETS									
Cash and cash equivalents	\$ 96,140	\$ 106,015	\$ 17,417	\$ 809,300	\$ 169,958		\$ 248,094	\$ 4,777	\$ 65,117
Accounts receivable	6,163	191			33,091	\$ 33,091	15,167		2,393
Interfund receivable									
TOTAL ASSETS	<u>\$ 102,303</u>	<u>\$ 106,206</u>	<u>\$ 17,417</u>	<u>\$ 809,300</u>	<u>\$ 203,049</u>	<u>\$ 33,091</u>	<u>\$ 263,261</u>	<u>\$ 4,777</u>	<u>\$ 67,510</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 4,513	\$ 2,203		\$ 137	\$ 5,992		\$ 157		\$ 768
Settlements pending									
Total Liabilities	<u>4,513</u>	<u>2,203</u>		<u>137</u>	<u>5,992</u>		<u>157</u>		<u>768</u>
Fund Balances:									
Restricted	97,790		\$ 17,417	809,163				\$ 4,777	66,742
Committed		104,003			197,057	\$ 33,091	263,104		
Assigned									
Unassigned									
Total Fund Balances	<u>97,790</u>	<u>104,003</u>	<u>17,417</u>	<u>809,163</u>	<u>197,057</u>	<u>33,091</u>	<u>263,104</u>	<u>4,777</u>	<u>66,742</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 102,303</u>	<u>\$ 106,206</u>	<u>\$ 17,417</u>	<u>\$ 809,300</u>	<u>\$ 203,049</u>	<u>\$ 33,091</u>	<u>\$ 263,261</u>	<u>\$ 4,777</u>	<u>\$ 67,510</u>

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS										
	Independence County Shooting Sports	Juvenile Detention Maintenance	Law Enforcement (Act 442)	Jail Booking and Administration (Act 117)	Drug Court Program Fee (Act 490)	Drug Court Graduation	Fire Department Sales Tax	Sheriff's Special Needs	Sheriff Drug and Investigation	
ASSETS										
Cash and cash equivalents	\$ 350	\$ 265,687	\$ 25,440	\$ 9,451	\$ 5,046	\$ 599		\$ 20,036	\$ 52,379	
Accounts receivable			718	492	190		\$ 217,981	1,000		
Interfund receivable										
TOTAL ASSETS	<u>\$ 350</u>	<u>\$ 265,687</u>	<u>\$ 26,158</u>	<u>\$ 9,943</u>	<u>\$ 5,236</u>	<u>\$ 599</u>	<u>\$ 217,981</u>	<u>\$ 21,036</u>	<u>\$ 52,379</u>	
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 1,383							\$ 2,102	\$ 8,370	
Settlements pending										
Total Liabilities	<u>1,383</u>							<u>2,102</u>	<u>8,370</u>	
Fund Balances:										
Restricted			\$ 26,158	\$ 9,943	\$ 5,236	\$ 599	\$ 217,981	18,934	44,009	
Committed		\$ 265,687								
Assigned										
Unassigned	(1,033)									
Total Fund Balances	<u>(1,033)</u>	<u>265,687</u>	<u>26,158</u>	<u>9,943</u>	<u>5,236</u>	<u>599</u>	<u>217,981</u>	<u>18,934</u>	<u>44,009</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 350</u>	<u>\$ 265,687</u>	<u>\$ 26,158</u>	<u>\$ 9,943</u>	<u>\$ 5,236</u>	<u>\$ 599</u>	<u>\$ 217,981</u>	<u>\$ 21,036</u>	<u>\$ 52,379</u>	

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS					
	Senior Citizens	Sheriff's Grant	County Library	Future Fuel Rail Spur	Disaster Bridge	Help and Hope	Bad Boy	General Improvement Workforce Training	Juvenile Detention Construction
ASSETS									
Cash and cash equivalents	\$ 28,734	\$ 12,619	\$ 3,049,108	\$ 4,724	\$ 23	\$ 1	\$ 66	\$ 98,720	\$ 16,545
Accounts receivable	23,716		3,512						
Interfund receivable									
TOTAL ASSETS	\$ 52,450	\$ 12,619	\$ 3,052,620	\$ 4,724	\$ 23	\$ 1	\$ 66	\$ 98,720	\$ 16,545
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 17,238		\$ 6,113						
Settlements pending									
Total Liabilities	17,238		6,113						
Fund Balances:									
Restricted		\$ 12,619	3,046,507	\$ 4,724	\$ 23	\$ 1	\$ 66	\$ 98,720	
Committed									
Assigned	35,212								\$ 16,545
Unassigned									
Total Fund Balances	35,212	12,619	3,046,507	4,724	23	1	66	98,720	16,545
TOTAL LIABILITIES AND FUND BALANCES	\$ 52,450	\$ 12,619	\$ 3,052,620	\$ 4,724	\$ 23	\$ 1	\$ 66	\$ 98,720	\$ 16,545

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

AGENCY FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 179,821	\$ 232,919	\$ 85,467	\$ 16,951	\$ 322,239	\$ 115,277	\$ 7,599,505
Accounts receivable							559,795
Interfund receivable							961
TOTAL ASSETS	<u>\$ 179,821</u>	<u>\$ 232,919</u>	<u>\$ 85,467</u>	<u>\$ 16,951</u>	<u>\$ 322,239</u>	<u>\$ 115,277</u>	<u>\$ 8,160,261</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 133,495
Settlements pending	\$ 179,821	\$ 232,919	\$ 85,467	\$ 16,951	\$ 322,239	\$ 115,277	952,674
Total Liabilities	<u>179,821</u>	<u>232,919</u>	<u>85,467</u>	<u>16,951</u>	<u>322,239</u>	<u>115,277</u>	<u>1,086,169</u>
Fund Balances:							
Restricted							5,442,754
Committed							914,935
Assigned							717,436
Unassigned							(1,033)
Total Fund Balances							<u>7,074,092</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 179,821</u>	<u>\$ 232,919</u>	<u>\$ 85,467</u>	<u>\$ 16,951</u>	<u>\$ 322,239</u>	<u>\$ 115,277</u>	<u>\$ 8,160,261</u>

INDEPENDENCE 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	County Clerk's Cost	County Recorder's Cost	Solid Waste	Assessor's Amendment no. 79	Child Support Fee	Court Security Grant
REVENUES									
State aid							\$ 4,316		\$ 15,000
Federal aid									
Property taxes									
Sales taxes						\$ 671,659			
Fines, forfeitures, and costs									
Interest	\$ 1,135					7			
Officers' fees			\$ 12,143	\$ 7,540	\$ 141,662			\$ 4,189	
Jail fees									
Solid waste fees						822,621			
Reimbursement for hydroelectric expenditures									
911 fees									
Treasurer's commission	40,000								
Collector's commission		\$ 100,655							
Other					2,305	188,404			
TOTAL REVENUES	41,135	100,655	12,143	7,540	143,967	1,682,691	4,316	4,189	15,000
Less: Treasurer's commission			63	42	760	9,054	23	22	
NET REVENUES	41,135	100,655	12,080	7,498	143,207	1,673,637	4,293	4,167	15,000
EXPENDITURES									
Current:									
General government	31,473	21,380		11,595	158,000		3,535	1,500	
Law enforcement			859						16,189
Highways and streets									
Public safety									
Sanitation						1,478,818			
Health									
Recreation and culture									
Social services									
Economic development									
Hydroelectric project									
Total Current	31,473	21,380	859	11,595	158,000	1,478,818	3,535	1,500	16,189
Debt Service:									
Loan principal				6,336		134,292			
Loan interest				433		12,693			
TOTAL EXPENDITURES	31,473	21,380	859	18,364	158,000	1,625,803	3,535	1,500	16,189
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,662	79,275	11,221	(10,866)	(14,793)	47,834	758	2,667	(1,189)
OTHER FINANCING SOURCES (USES)									
Transfers in									1,190
Transfers out									
Loan proceeds				13,500					
TOTAL OTHER FINANCING SOURCES (USES)				13,500					1,190
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,662	79,275	11,221	2,634	(14,793)	47,834	758	2,667	1
FUND BALANCES - JANUARY 1	105,303	213,810	68,493	1,552	223,576	639,660	73,336	21,607	
FUND BALANCES - DECEMBER 31	<u>\$ 114,965</u>	<u>\$ 293,085</u>	<u>\$ 79,714</u>	<u>\$ 4,186</u>	<u>\$ 208,783</u>	<u>\$ 687,494</u>	<u>\$ 74,094</u>	<u>\$ 24,274</u>	<u>\$ 1</u>

INDEPENDENCE 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	Communication Facility and Equipment	Boating Safety	Emergency 911	Fire Equipment and Training (Act 833)	Indigent Defense	Juvenile Probation	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Hydroelectric Project
REVENUES									
State aid		\$ 2,996	\$ 90,313	\$ 144,961					
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs					\$ 4,564		\$ 10,786		
Interest	\$ 586								
Officers' fees	25,121				7,328	\$ 5,278	6,415	\$ 4,749	
Jail fees									
Solid waste fees									
Reimbursement for hydroelectric expenditures									\$ 532,292
911 fees			137,127						
Treasurer's commission									
Collector's commission									
Other	7,741								839
TOTAL REVENUES	33,448	2,996	227,440	144,961	11,892	5,278	17,201	4,749	533,131
Less: Treasurer's commission		11	656		45	32	91	30	
NET REVENUES	33,448	2,985	226,784	144,961	11,847	5,246	17,110	4,719	533,131
EXPENDITURES									
Current:									
General government									
Law enforcement	31,891				31,692	5,998	17,083		
Highways and streets									
Public safety		2,051	136,729	144,690					
Sanitation									
Health									
Recreation and culture									
Social services									
Economic development									
Hydroelectric project									528,972
Total Current	31,891	2,051	136,729	144,690	31,692	5,998	17,083		528,972
Debt Service:									
Loan principal									
Loan interest									
TOTAL EXPENDITURES	31,891	2,051	136,729	144,690	31,692	5,998	17,083		528,972
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,557	934	90,055	271	(19,845)	(752)	27	4,719	4,159
OTHER FINANCING SOURCES (USES)									
Transfers in			13,008		18,216				
Transfers out									
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)			13,008		18,216				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,557	934	103,063	271	(1,629)	(752)	27	4,719	4,159
FUND BALANCES - JANUARY 1	49,981	12,408	12,754		1,887	793	1,019	1,230	
FUND BALANCES - DECEMBER 31	\$ 51,538	\$ 13,342	\$ 115,817	\$ 271	\$ 258	\$ 41	\$ 1,046	\$ 5,949	\$ 4,159

INDEPENDENCE 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	Jail Fine	Department of Human Services/Health Building	Disaster Recovery	Economic Development	Sales Tax - Law Enforcement	Sales Tax - Fire Department	Sales Tax - Recreation	Drug Court Program	Driving While Intoxicated Court
REVENUES									
State aid							\$ 4,500		
Federal aid									\$ 31,444
Property taxes									
Sales taxes				\$ 408,604	\$ 383,805	\$ 383,805	\$ 175,910		
Fines, forfeitures, and costs	\$ 105,728								
Interest			\$ 203						
Officers' fees									10,915
Jail fees									
Solid waste fees									
Reimbursement for hydroelectric expenditures									
911 fees									
Treasurer's commission									
Collector's commission									
Other		\$ 219,745		1,197					101
TOTAL REVENUES	105,728	219,745	203	409,801	383,805	383,805	175,910	4,500	42,460
Less: Treasurer's commission	564	1,064	1	2,713	2,025	2,024	927		67
NET REVENUES	105,164	218,681	202	407,088	381,780	381,781	174,983	4,500	42,393
EXPENDITURES									
Current:									
General government									
Law enforcement	130,651				351,051			1,223	45,881
Highways and streets									
Public safety						385,593			
Sanitation									
Health		60,813							
Recreation and culture							93,163		
Social services									
Economic development				726,234					
Hydroelectric project									
Total Current	130,651	60,813		726,234	351,051	385,593	93,163	1,223	45,881
Debt Service:									
Loan principal		110,567					16,168		
Loan interest		17,412					163		
TOTAL EXPENDITURES	130,651	188,792		726,234	351,051	385,593	109,494	1,223	45,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,487)	29,889	202	(319,146)	30,729	(3,812)	65,489	3,277	(3,488)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out							(20,036)		
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)							(20,036)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(25,487)	29,889	202	(319,146)	30,729	(3,812)	45,453	3,277	(3,488)
FUND BALANCES - JANUARY 1	123,277	74,114	17,215	1,128,309	166,328	36,903	217,651	1,500	70,230
FUND BALANCES - DECEMBER 31	<u>\$ 97,790</u>	<u>\$ 104,003</u>	<u>\$ 17,417</u>	<u>\$ 809,163</u>	<u>\$ 197,057</u>	<u>\$ 33,091</u>	<u>\$ 263,104</u>	<u>\$ 4,777</u>	<u>\$ 66,742</u>

INDEPENDENCE 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	Independence County Shooting Sports	Juvenile Detention Maintenance	Law Enforcement (Act 442)	Jail Booking and Administration (Act 117)	Drug Court Program Fee (Act 490)	Drug Court Graduation	Fire Department Sales Tax	Sheriff's Special Needs	Sheriff Drug and Investigation
REVENUES									
State aid	\$ 20,000								
Federal aid									
Property taxes									
Sales taxes							\$ 2,527,732		
Fines, forfeitures, and costs			\$ 18,813						\$ 43,226
Interest		\$ 2,752						\$ 226	
Officers' fees					\$ 2,085				
Jail fees		30,000		\$ 7,467					
Solid waste fees									
Reimbursement for hydroelectric expenditures									
911 fees									
Treasurer's commission									
Collector's commission									
Other	86,496							11,772	
TOTAL REVENUES	106,496	32,752	18,813	7,467	2,085		2,527,732	11,998	43,226
Less: Treasurer's commission	459	15	96	39	11		13,117	1	
NET REVENUES	106,037	32,737	18,717	7,428	2,074		2,514,615	11,997	43,226
EXPENDITURES									
Current:									
General government									
Law enforcement			8,700	3,773					
Highways and streets						\$ 138		10,202	54,723
Public safety							2,503,826		
Sanitation									
Health									
Recreation and culture	130,199								
Social services									
Economic development									
Hydroelectric project									
Total Current	130,199		8,700	3,773		138	2,503,826	10,202	54,723
Debt Service:									
Loan principal									
Loan interest									
TOTAL EXPENDITURES	130,199		8,700	3,773		138	2,503,826	10,202	54,723
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,162)	32,737	10,017	3,655	2,074	(138)	10,789	1,795	(11,497)
OTHER FINANCING SOURCES (USES)									
Transfers in	20,036								
Transfers out									
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)	20,036								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,126)	32,737	10,017	3,655	2,074	(138)	10,789	1,795	(11,497)
FUND BALANCES - JANUARY 1	3,093	232,950	16,141	6,288	3,162	737	207,192	17,139	55,506
FUND BALANCES - DECEMBER 31	<u>\$ (1,033)</u>	<u>\$ 265,687</u>	<u>\$ 26,158</u>	<u>\$ 9,943</u>	<u>\$ 5,236</u>	<u>\$ 599</u>	<u>\$ 217,981</u>	<u>\$ 18,934</u>	<u>\$ 44,009</u>

INDEPENDENCE 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS				
	Senior Citizens	Sheriff's Grant	County Library	Future Fuel Rail Spur	Disaster Bridge	Help and Hope	United States Department of Agriculture Firefighter Training	Wildlife Observation Trail
REVENUES								
State aid	\$ 44,738		\$ 57,480					
Federal aid	236,171	\$ 64,491			\$ 369,513		\$ 53,840	
Property taxes			473,323					
Sales taxes								
Fines, forfeitures, and costs								
Interest			29,690	\$ 15				
Officers' fees								
Jail fees								
Solid waste fees								
Reimbursement for hydroelectric expenditures								
911 fees								
Treasurer's commission								
Collector's commission								
Other	218,238		9,485					
TOTAL REVENUES	499,147	64,491	569,978	15	369,513		53,840	
Less: Treasurer's commission			3,000					
NET REVENUES	499,147	64,491	566,978	15	369,513		53,840	
EXPENDITURES								
Current:								
General government								
Law enforcement		58,673						
Highways and streets					369,597			
Public safety							53,840	
Sanitation								
Health								
Recreation and culture			308,417					\$ 614
Social services	597,876							
Economic development								
Hydroelectric project								
Total Current	597,876	58,673	308,417		369,597		53,840	614
Debt Service:								
Loan principal								
Loan interest								
TOTAL EXPENDITURES	597,876	58,673	308,417		369,597		53,840	614
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(98,729)	5,818	258,561	15	(84)			(614)
OTHER FINANCING SOURCES (USES)								
Transfers in	41,356							
Transfers out								
Loan proceeds								
TOTAL OTHER FINANCING SOURCES (USES)	41,356							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(57,373)	5,818	258,561	15	(84)			(614)
FUND BALANCES - JANUARY 1	92,585	6,801	2,787,946	4,709	107	\$ 1		614
FUND BALANCES - DECEMBER 31	\$ 35,212	\$ 12,619	\$ 3,046,507	\$ 4,724	\$ 23	\$ 1	\$ 0	\$ 0

INDEPENDENCE 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, 2014

Schedule 2

	CAPITAL PROJECTS FUNDS					Totals
	Bad Boy	Independence County Shooting Sports Grant	General Improvement Workforce Training	Juvenile Detention Construction	Voting System Grant	
REVENUES						
State aid					\$ 15,379	\$ 399,683
Federal aid	\$ 10,800					766,259
Property taxes						473,323
Sales taxes						4,551,515
Fines, forfeitures, and costs						183,117
Interest						34,614
Officers' fees						227,425
Jail fees						37,467
Solid waste fees						822,621
Reimbursement for hydroelectric expenditures						532,292
911 fees						137,127
Treasurer's commission						40,000
Collector's commission						100,655
Other						746,323
TOTAL REVENUES	10,800				15,379	9,052,421
Less: Treasurer's commission						36,952
NET REVENUES	10,800				15,379	9,015,469
EXPENDITURES						
Current:						
General government					15,379	242,862
Law enforcement						768,727
Highways and streets						369,597
Public safety			\$ 1,280			3,228,009
Sanitation						1,478,818
Health						60,813
Recreation and culture		\$ 21,375				553,768
Social services						597,876
Economic development	10,768					737,002
Hydroelectric project						528,972
Total Current	10,768	21,375	1,280		15,379	8,566,444
Debt Service:						
Loan principal						267,363
Loan interest						30,701
TOTAL EXPENDITURES	10,768	21,375	1,280		15,379	8,864,508
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	32	(21,375)	(1,280)			150,961
OTHER FINANCING SOURCES (USES)						
Transfers in			100,000			193,806
Transfers out						(20,036)
Loan proceeds						13,500
TOTAL OTHER FINANCING SOURCES (USES)			100,000			187,270
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	32	(21,375)	98,720			338,231
FUND BALANCES - JANUARY 1	34	21,375		\$ 16,545		6,735,861
FUND BALANCES - DECEMBER 31	\$ 66	\$ 0	\$ 98,720	\$ 16,545	\$ 0	\$ 7,074,092

INDEPENDENCE COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2014

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

Fund Name	Fund Description
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of Collector's gross commissions to operate the Collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive Circuit Court installment fees to be used for Circuit Court-related technology and to defray the cost of fine collection.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate automated records system.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the County by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on fee schedule contained in an ordinance. Independence County Ordinance no. 2012-58 (December 11, 2012) authorized solid waste management fees.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Arkansas Constitution, Amendment no. 79.
Child Support Fee	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Court 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.
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.

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the County to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.
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 costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.
Juvenile Probation	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of circuit clerk.
Hydroelectric Project	Independence County Ordinance no. 264-83 (March 11, 1983) established fund to account for expenses associated with the development of the hydroelectric project.
Jail Fine	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.

INDEPENDENCE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
Department of Human Services/Health Building	Independence County Ordinance no. 99-18 (June 15, 1999) established fund to account for rent and expenses associated with the County Health Office Building.
Disaster Recovery	Independence County Ordinance no. 97-15 (June 10, 1997) established fund to account for Special Disaster Recovery Grant from the Department of Emergency Services.
Economic Development	Independence County Ordinance no. 2009-42 (August 10, 2009) established fund to account for funds derived from an election approving an economic development sales tax for the purpose of economic development.
Sales Tax - Law Enforcement	Independence County Ordinance no. 2013-48 (December 9, 2013) established fund to account for 12% of 1% sales tax for law enforcement expenses.
Sales Tax - Fire Department	Independence County Ordinance no. 2013-48 (December 9, 2013) established fund to account for 12% of 1% sales tax for fire department expenses.
Sales Tax - Recreation	Independence County Ordinance no. 2013-48 (December 9, 2013) established fund to account for 5.5% of 1% sales tax for recreation and culture expenses.
Drug Court Program	Established to account for a grant received from the Administrative Office of the Courts for graduation incentives.
Driving While Intoxicated Court	Independence County Ordinance no. 2009-34 (July 13, 2009) established fund to account for state fines, client contribution fees, and grants to be used for court and class purposes.
Independence County Shooting Sports	Independence County Ordinance no. 2011-09 (February 14, 2011) established fund to account for grants, donations, fees, and expenses associated with the shooting range.
Juvenile Detention Maintenance	Independence County Ordinance no. 2012-48 (October 8, 2012) established fund to account for inmate fees to be used for Juvenile Detention Center purposes.
Law Enforcement (Act 442)	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.

INDEPENDENCE COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2014

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

Fund Name	Fund Description
Jail Booking and Administration (Act 117)	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility.
Drug Court Program Fee (Act 490)	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Drug Court Graduation	Independence County Ordinance no. 2011-45 (November 15, 2011) established fund to account for drug court grant.
Fire Department Sales Tax	Independence County Ordinance no. 2013-27 (June 10, 2013) established fund to account for 1/2% sales tax for fire department purposes.
Sheriff's Special Needs	Independence County Ordinance no. 2001-07 (March 13, 2001) established fund to account for donations, gifts, and receipts that are designated to be used only for special needs and projects of the Sheriff's office.
Sheriff Drug and Investigation	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Senior Citizens	Independence County Ordinance no. 2013-33 (July 9, 2013) established fund to account for grants, donations, fees, and expenses associated with the Senior Citizens program.
Sheriff's Grant	Independence County Ordinance no. 2004-02 (January 13, 2004) established fund to account for the Law Enforcement Block Grant.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the Quorum Court for the support, operation, and maintenance of the public library.
Future Fuel Rail Spur	Established to account for federal grant received from Arkansas Community and Economic Development Program for road construction and rail spur improvements.
Disaster Bridge	Established to account for federal grant received from Arkansas Community and Economic Development Program for the construction of bridges.

INDEPENDENCE COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2014

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

Fund Name	Fund Description
Help and Hope	Established to account for federal grant received from Arkansas Community and Economic Development Program for renovation and expansion of a building.
United States Department of Agriculture Firefighter Training	Established to account for federal grant received from United States Department of Agriculture for construction of a workforce/firefighter training center.
Wildlife Observation Trail	Independence County Ordinance no. 2012-43 (August 31, 2012) established to account for grants for the construction and design of a wildlife observation trail.
Bad Boy	Established to account for federal grant received from Arkansas Community and Economic Development Program for the purchase of equipment.
Independence County Shooting Sports Grant	Established to account for state grant for renovation and expansion of shooting range facilities.
General Improvement Workforce Training	Established to account for state grant for construction of a workforce/firefighter training center.
Juvenile Detention Construction	Independence County Ordinance no. 98-13 (August 11, 1998) established fund to account for expenses associated with the construction of the Juvenile Detention Center.
Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the Secretary of State County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.

Treasurer's accounts consist primarily of property taxes not yet distributed to the various taxing units and funds held for a rural fire department.

Collector's accounts consist primarily of property 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 bond and fee money to be settled with Treasurer.

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

District Court Accounts consist primarily of fines and costs not yet distributed to the county and/or state.

INDEPENDENCE COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2014
(Unaudited)

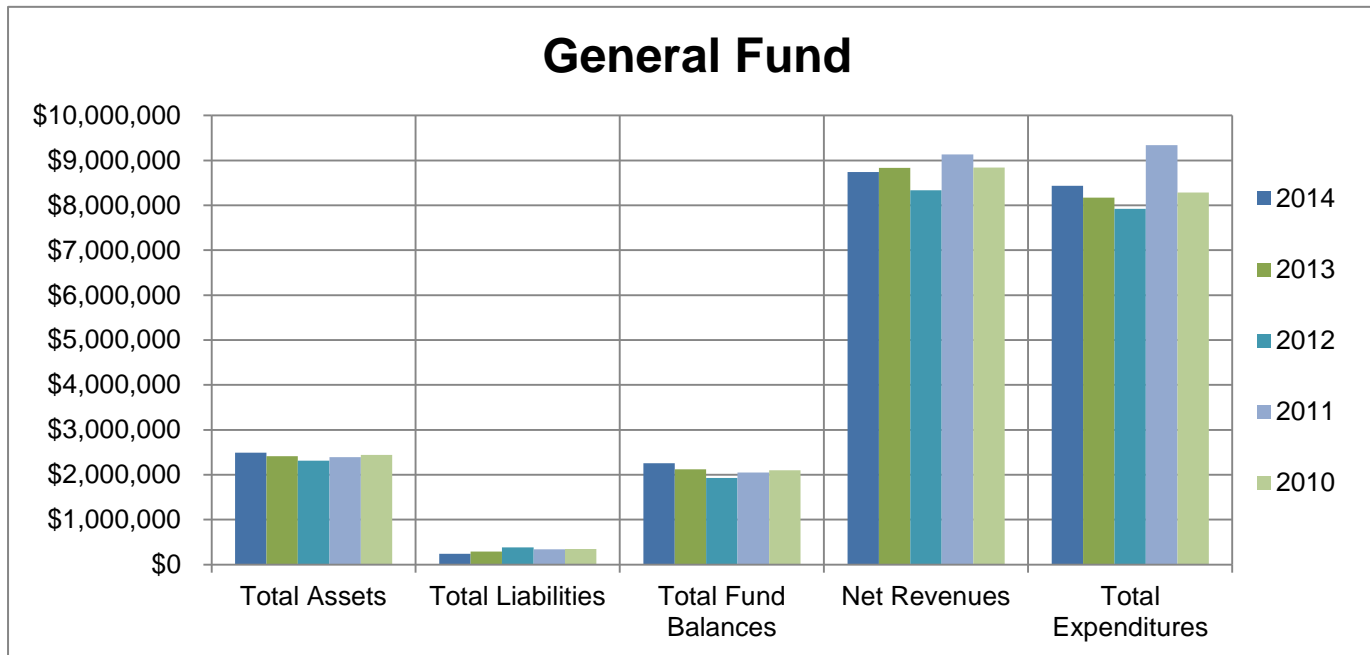
Schedule 3

	<u>December 31, 2014</u>
Land	\$ 2,220,617
Buildings	11,355,563
Equipment	<u>10,074,431</u>
Total	<u>\$ 23,650,611</u>

INDEPENDENCE COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-1

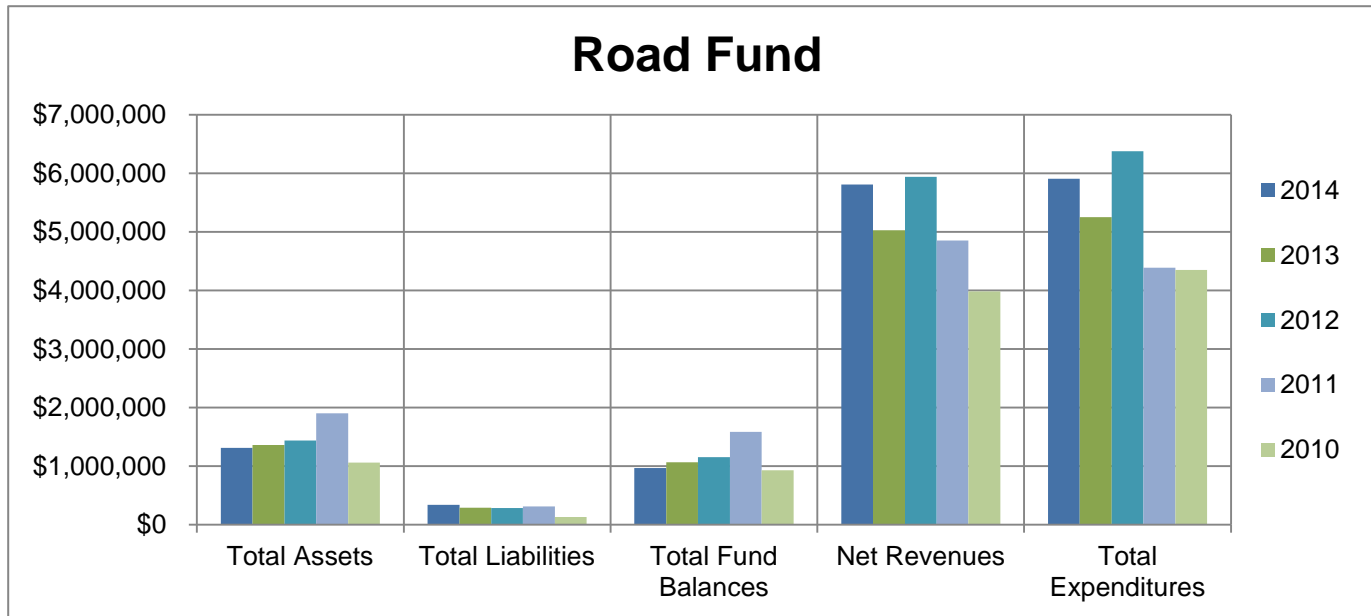
General	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assets	\$ 2,493,568	\$ 2,414,240	\$ 2,312,052	\$ 2,394,482	\$ 2,441,685
Total Liabilities	238,904	292,124	384,017	343,779	344,631
Total Fund Balances	2,254,664	2,122,116	1,928,035	2,050,703	2,097,054
Net Revenues	8,741,764	8,830,579	8,336,134	9,134,294	8,841,788
Total Expenditures	8,435,446	8,171,007	7,924,283	9,338,569	8,283,257
Total Other Financing Sources/Uses	(173,770)	(398,926)	(328,845)	(377,064)	(378,234)



INDEPENDENCE COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-2

<u>Road</u>	2014	2013	2012	2011	2010
Total Assets	\$ 1,310,768	\$ 1,360,028	\$ 1,438,596	\$ 1,901,215	\$ 1,063,223
Total Liabilities	340,073	291,130	283,879	314,084	134,635
Total Fund Balances	970,695	1,068,898	1,154,717	1,587,131	928,588
Net Revenues	5,812,145	5,028,921	5,942,949	4,853,684	3,986,848
Total Expenditures	5,910,348	5,253,406	6,375,363	4,387,763	4,352,118
Total Other Financing Sources/Uses		241,890		192,622	68,972



INDEPENDENCE COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assets	\$ 8,160,261	\$ 8,403,921	\$ 7,168,052	\$ 7,797,183	\$ 7,117,513
Total Liabilities	1,086,169	1,668,060	861,100	1,006,944	760,466
Total Fund Balances	7,074,092	6,735,861	6,306,952	6,790,239	6,357,047
Net Revenues	9,015,469	10,117,481	7,021,412	8,227,214	9,768,385
Total Expenditures	8,864,508	10,180,221	8,042,853	7,136,098	7,881,080
Total Other Financing Sources/Uses	187,270	496,426	328,845	(122,936)	384,262

