

White County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2014

LEGISLATIVE JOINT AUDITING COMMITTEE



WHITE COUNTY, ARKANSAS
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Arkansas

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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

INDEPENDENT AUDITOR'S REPORT

White 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 White 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 White 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 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, road fund, and other funds in the aggregate of White 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 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.

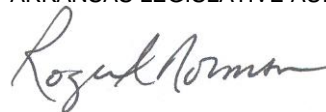
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 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
July 13, 2015
LOCO07314

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

White 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 White 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 July 13, 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 opinions on the general fund, road fund, and other funds in the aggregate 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 commentary contained in this section relates to the following officials that held office during 2014:

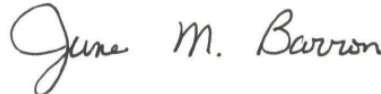
County Judge: Michael Lincoln
Treasurer: Janet Hibbits
Sheriff: Ricky Shourd
Tax Collector: Sue Liles
County Clerk: Cheryl Evans (January 1, 2014 – July 2, 2014)
 Stephenie Eason (August 19, 2014 – December 31, 2014)
Circuit Clerk: Tami King
Assessor: Debra Lang

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

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
July 13, 2015

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 13,806,776	\$ 1,918,015	\$ 8,033,554
Accounts receivable	386,186	363,950	919,443
Interfund receivables	21,000	5,828	
TOTAL ASSETS	\$ 14,213,962	\$ 2,287,793	\$ 8,952,997
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 85,529	\$ 221,153	\$ 234,226
Interfund payables	2,234		24,594
Settlements pending			2,724,551
Total Liabilities	87,763	221,153	2,983,371
Fund Balances:			
Restricted		1,663,145	3,236,171
Assigned	3,095,255	403,495	2,733,455
Unassigned	11,030,944		
Total Fund Balances	14,126,199	2,066,640	5,969,626
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,213,962	\$ 2,287,793	\$ 8,952,997

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

WHITE 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>
REVENUES			
State aid	\$ 977,173	\$ 3,638,706	\$ 663,915
Federal aid	3,764	54,212	493,196
Property taxes	2,315,039	1,042,933	1,094,900
Sales taxes	1,245,211	2,490,422	6,591,310
Fines, forfeitures, and costs	863,672		320,608
Interest	122,743	13,799	40,290
Officers' fees	187,967		590,399
911 fees			436,306
Jail fees			558,005
Treasurer's commission	153,597		10,000
Collector's commission	556,118		43,000
Taxes apportioned - Assessor's salary and expense	840,359		
Other	477,592	623,374	319,021
	<u>7,743,235</u>	<u>7,863,446</u>	<u>11,160,950</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>25,335</u>	<u>98,427</u>	<u>49,914</u>
NET REVENUES	<u>7,717,900</u>	<u>7,765,019</u>	<u>11,111,036</u>
EXPENDITURES			
Current:			
General government	3,338,832		532,442
Law enforcement	1,148,047		6,769,237
Highways and streets	964,768	7,211,254	230,987
Public safety	1,732,761		1,444,210
Sanitation	182,500		
Health			392,789
Recreation and culture			1,249,638
Social services			303,138
Water extension			440,060
Total Current	<u>7,366,908</u>	<u>7,211,254</u>	<u>11,362,501</u>
Debt Service:			
Lease principal		86,957	
Lease interest		13,444	
Note principal		163,223	
Note interest		17,442	
		<u>381,073</u>	
TOTAL EXPENDITURES	<u>7,366,908</u>	<u>7,492,320</u>	<u>11,362,501</u>

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

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 350,992</u>	<u>\$ 272,699</u>	<u>\$ (251,465)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	296,297	55,188	464,177
Transfers out	<u>(463,580)</u>	<u></u>	<u>(352,082)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(167,283)</u>	<u>55,188</u>	<u>112,095</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	183,709	327,887	(139,370)
FUND BALANCES - JANUARY 1	<u>13,942,490</u>	<u>1,738,753</u>	<u>6,108,996</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 14,126,199</u></u>	<u><u>\$ 2,066,640</u></u>	<u><u>\$ 5,969,626</u></u>

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

WHITE 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	\$ 855,010	\$ 977,173	\$ 122,163	\$ 3,440,298	\$ 3,638,706	\$ 198,408
Federal aid	3,428	3,764	336	2,395	54,212	51,817
Property taxes	2,175,354	2,315,039	139,685	1,008,797	1,042,933	34,136
Sales taxes	1,290,761	1,245,211	(45,550)	2,581,522	2,490,422	(91,100)
Fines, forfeitures, and costs	839,343	863,672	24,329			
Interest	84,234	122,743	38,509	13,061	13,799	738
Officers' fees	186,292	187,967	1,675			
Treasurer's commission	140,079	153,597	13,518			
Collector's commission	500,000	556,118	56,118			
Taxes apportioned - Assessor's salary and expense	790,000	840,359	50,359			
Other	316,017	477,592	161,575	723,082	623,374	(99,708)
TOTAL REVENUES	7,180,518	7,743,235	562,717	7,769,155	7,863,446	94,291
Less: Treasurer's commission		25,335	(25,335)		98,427	(98,427)
NET REVENUES	7,180,518	7,717,900	537,382	7,769,155	7,765,019	(4,136)
EXPENDITURES						
Current:						
General government	7,285,066	3,338,832	3,946,234			
Law enforcement	1,814,141	1,148,047	666,094			
Highways and streets	3,000,000	964,768	2,035,232	7,984,284	7,211,254	773,030
Public safety	2,506,700	1,732,761	773,939			
Sanitation		182,500	(182,500)			
Total Current	14,605,907	7,366,908	7,238,999	7,984,284	7,211,254	773,030
Debt Service:						
Lease principal					86,957	(86,957)
Lease interest					13,444	(13,444)
Note principal					163,223	(163,223)
Note interest					17,442	(17,442)
TOTAL EXPENDITURES	14,605,907	7,366,908	7,238,999	7,984,284	7,492,320	491,964

WHITE 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	\$ (7,425,389)	\$ 350,992	\$ 7,776,381	\$ (215,129)	\$ 272,699	\$ 487,828
OTHER FINANCING SOURCES (USES)						
Transfers in	316,741	296,297	(20,444)	33,216	55,188	21,972
Transfers out	(966,376)	(463,580)	502,796			
TOTAL OTHER FINANCING SOURCES (USES)	(649,635)	(167,283)	482,352	33,216	55,188	21,972
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,075,024)	183,709	8,258,733	(181,913)	327,887	509,800
FUND BALANCES - JANUARY 1	13,379,612	13,942,490	562,878	1,250,000	1,738,753	488,753
FUND BALANCES - DECEMBER 31	\$ 5,304,588	\$ 14,126,199	\$ 8,821,611	\$ 1,068,087	\$ 2,066,640	\$ 998,553

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

WHITE 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.

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 General Reserve, Highway 13 Extension, and Cops in School.

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, and sales taxes that are restricted or committed for maintaining and constructing roads. The Road Fund heading as it appears in the financial statements includes the following accounts: County Road and Highway Construction Sales Tax.

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, Assessor's Amendment no. 79 Administration, County Clerk's Cost, County Recorder's Cost, County Library, Child Support Cost, Game and Fish Education, Communication Facility and Equipment, Drug Control, Boating Safety, Emergency 911, Act 833 – Fire Equipment/Training, Public Defender, Victim/Witness, Juvenile Probation Fees, County Voting System Grant, Circuit Clerk's Commissioner's Fee, Non-Mandated Services, Law Enforcement Sales Tax, Volunteer Fire Departments, Federal Drug Control, Crimes Against Women Grant, West Nile Virus Grant, Courthouse Security Grant, Arkansas Natural Resources Commission, Law Enforcement Block Grant, Arkansas Economic Development Commission, White River Planning and Development District – General Improvement Grant, and Sheriff's Communication Facility and Equipment.

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: Capital Improvement and Arkansas Rural Community Grant.

WHITE 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: County Treasurer (Treasurer's Commission, Collector's Commission, Collector's Unapportioned, Law Library, Administration of Justice Act 1256, Common School, Change, Cities, Schools, and Improvements); Tax Collector (Current Tax, Credit Card (INA), Suspense, and Change); Sheriff (Fee, Bond and Fine, Seizure, and Commissary); County Clerk (Fee and Trust); and Circuit Clerk (Fee, Trust, Circuit Bond, and Juvenile).

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, fees, and excess commissions that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

WHITE 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.

There were no committed fund balances at year-end.

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.

WHITE 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	\$ 19,976	\$ 24,122	\$ 31,385
Federal aid			19,122
Property taxes	33,613	34,073	35,695
Sales taxes	102,017	204,033	540,007
Fines, forfeitures, and costs	51,812		24,546
Officers' fees	8,047		47,664
911 fees			20,436
Jail fees			81,627
Treasurer's commission	11,212		
Collector's commission	67,395		
Other	92,114	101,722	118,961
Totals	<u>\$ 386,186</u>	<u>\$ 363,950</u>	<u>\$ 919,443</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	\$ 80,858	\$ 221,153	\$ 234,223
Other	4,671		3
Totals	<u>\$ 85,529</u>	<u>\$ 221,153</u>	<u>\$ 234,226</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2014	
	Interfund Receivables	Interfund Payables
General	\$ 21,000	\$ 2,234
Road	5,828	
Other Funds in the Aggregate:		
Special Revenue:		
County Recorder's Cost		21,000
Emergency 911		241
Non-Mandated Services		3,151
Law Enforcement Sales Tax		202
Totals	<u>\$ 26,828</u>	<u>\$ 26,828</u>

Interfund receivables and payables consist of reimbursements for fuel and interfund loans. These balances were repaid in 2015.

WHITE 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 \$112,955,775. 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 \$31,675,971. The amount of short-term financing obligations was \$2,379,365, leaving a legal debt margin of \$29,296,606.

NOTE 8: Details of Fund Balance Classifications

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			\$ 601,401
Law enforcement			1,001,400
Highways and streets		\$ 1,663,145	
Public safety			34,609
Capital outlay			1,516,972
Health			7,720
Recreation and culture			74,069
Total Restricted		<u>1,663,145</u>	<u>3,236,171</u>
Assigned to:			
General government			443,873
Law enforcement	\$ 1,368		2,115,768
Highways and streets	3,093,887	403,495	
Public safety			173,814
Total Assigned	<u>3,095,255</u>	<u>403,495</u>	<u>2,733,455</u>
Unassigned	<u>11,030,944</u>		
Totals	<u>\$ 14,126,199</u>	<u>\$ 2,066,640</u>	<u>\$ 5,969,626</u>

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

NOTE 9: Commitments

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

	December 31, 2014
Long-term liabilities	\$ 2,379,365
Reappraisal contract	785,000
Noncancellable lease	27,823
Construction contracts	1,389,584
 Total Commitments	 \$ 4,581,772

Long-Term Liabilities

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

	December 31, 2014
Lease-purchase agreement with Caterpillar Financial Services Corporation for the purchase of one 2011 140M2 Caterpillar motor grader, interest rate of 3.2%, monthly payments of \$805 for three years. Final payment of \$145,805 due June 3, 2015. Payments are to be made from the County Road Fund.	\$ 147,488
Lease-purchase agreement with Caterpillar Financial Services Corporation for the purchase of one 2012 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$635 for three years. Final payment of \$145,635 due November 18, 2015. Payments are to be made from the County Road Fund.	151,982
Lease-purchase agreement with Caterpillar Financial Services Corporation for the purchase of one 2011 140M2 Caterpillar motor grader, interest rate of 3.2%, monthly payments of \$484 for three years. Final payment of \$123,456 due April 17, 2015. Payments are to be made from the County Road Fund.	145,388
Lease-purchase agreement with Caterpillar Financial Services Corporation for the purchase of one 2012 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$2,008 for three years. Final payment of \$147,008 due May 7, 2016. Payments are to be made from the County Road Fund.	179,141
Lease-purchase agreement with Caterpillar Financial Services Corporation for the purchase of one 2012 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$2,060 for three years. Final payment of \$147,060 due May 10, 2016. Payments are to be made from the County Road Fund.	180,021
Lease-purchase agreement with Caterpillar Financial Services Corporation for the purchase of one 2012 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$1,954 for three years. Final payment of \$146,954 due August 12, 2016. Payments are to be made from the County Road Fund.	182,129

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

NOTE 9: Commitments (Continued)

Long-Term Liabilities (Continued)

	<u>December 31, 2014</u>
Note payable with BancorpSouth Equipment Finance for the purchase of four Mack dump trucks, interest rate of 2.29%, monthly payments of \$7,364 for 37 months. Final payment of \$288,000 due December 21, 2015. Payments are to be made from the County Road Fund.	\$ 361,567
Note payable with BancorpSouth Equipment Finance for the purchase of four Mack dump trucks, interest rate of 2.29%, monthly payments of \$4,313 for 37 months. Final payment of \$292,000 due July 23, 2017. Payments are to be made from the County Road Fund.	400,887
Note payable with BancorpSouth Equipment Finance for the purchase of one 2013 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$1,950 for 36 months. Final payment of \$156,950 due April 17, 2017. Payments are to be made from the County Road Fund.	209,600
Note payable with BancorpSouth Equipment Finance for the purchase of one 2013 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$1,630 for 36 months. Final payment of \$156,630 due April 17, 2017. Payments are to be made from the County Road Fund.	200,638
Note payable with BancorpSouth Equipment Finance for the purchase of one 2014 140M Caterpillar motor grader, interest rate of 0%, monthly payments of \$2,048 for 36 months. Final payment of \$157,048 due August 7, 2017. Payments are to be made from the County Road Fund.	<u>220,524</u>
Total Long-Term Liabilities	<u><u>\$ 2,379,365</u></u>

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

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Debt Service Requirements to Maturity

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

Years Ending December 31,	Notes	Leases	Total
2015	\$ 488,289	\$ 521,021	\$ 1,009,310
2016	119,289	469,021	588,310
2017	813,580		813,580
Total Obligations	1,421,158	990,042	2,411,200
Less Interest	27,942	3,893	31,835
Total Principal	\$ 1,393,216	\$ 986,149	\$ 2,379,365

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

NOTE 9: Commitments (Continued)

Reappraisal Contract

The County entered into a professional services contract for \$785,000 with Total Assessment Solutions Corporation for real estate appraisal and reappraisal maintenance on November 7, 2014. Terms of the contract are monthly payments of \$32,708 for 24 months.

The County is obligated for the following amounts:

Year	December 31, 2014
2015	\$ 392,500
2016	392,500
Total	\$ 785,000

Noncancellable Lease

The County entered into a noncancellable lease agreement for county office space on October 1, 2009. Terms of the lease are monthly rental payments of \$2,000 for 15 months and increases by three percent over the monthly rent payable in the previous calendar year on the first day of each calendar year during the term commencing January 1, 2011. The County has not negotiated the terms for the end of the lease. The County is obligated for the following amount for the next year:

Year	December 31, 2014
2015	\$ 27,823

Rental expense for 2014 was \$27,012.

Construction Contracts

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

Project Name	Estimated Completion Date	Contract Balance December 31, 2014
County Jail Expansion	August 2015	\$ 696,571
White County 911 Center	October 1, 2015	693,013
Total Construction Projects		\$ 1,389,584

NOTE 10: Interfund Transfers

The General Fund transferred \$408,392 to the Other Funds in the Aggregate to supplement Law Enforcement Sales Tax, Emergency 911, Victim/Witness, County Recorder's Cost, Non-Mandated Services, and Crimes Against Women Grant Funds. The General Fund also transferred \$55,188 to the County Road Fund to supplement road expenditures. The County also transferred \$296,297 from the Other Funds in the Aggregate to the General Fund to reimburse expenditures made by the General Fund on behalf of the Law Enforcement Sales Tax, Juvenile Probation Fees, County Recorder's Cost, and Child Support Cost Funds. Additionally, transfers within the Other Funds in the Aggregate were as follows: The Law Enforcement Sales Tax Fund transferred \$54,925 to the Crimes Against Women Grant Fund to reimburse personal services disbursements, and the Law Enforcement Block Grant Fund transferred \$860 to the Law Enforcement Sales Tax Fund to reimburse for disbursements.

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

NOTE 11: Joint Venture: White County Regional Library

The Board of Trustees of the White County Library System entered into a contract with the Board of Trustees of the White County Regional Library System, which was established by an interlocal cooperation agreement dated May 18, 1999, in accordance with Ark. Code Ann. § 13-2-401. The contract states that the White County Regional Library agrees to provide all those services normally associated with a regional library. For those services, the White County Library Board of Trustees agrees to provide those funds currently provided to the White County Library System. The County Library Board paid \$1,222,423 for services in 2014. Contact the White County Regional Library at 113 East Pleasure, Searcy, Arkansas 72143 to obtain financial statements.

NOTE 12: Risk Management

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

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

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

Vehicle Program

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

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

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

NOTE 13: 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 \$1,219,373.

NOTE 14: Subsequent Events

On May 4, 2015, the County borrowed from BancorpSouth Equipment Finance the sum of \$221,200 at a rate of 2.9% for three years for the lease, with purchase option, of a 2014 Caterpillar motor grader from Riggs Caterpillar.

On June 16, 2015, the County passed an ordinance to borrow from Caterpillar Equipment Finance the sum of \$215,000 at a rate of 3.13% for three years for the lease of a 2014 Caterpillar motor grader from Riggs Caterpillar.

On June 29, 2015, the County borrowed from BancorpSouth Equipment Finance the sum of \$475,572 at a rate of 2.29% for three years for the purchase of four tri-axle dump trucks from Tri-State Truck Center.

WHITE 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	Assessor's Amendment no. 79 Administration	County Clerk's Cost	County Recorder's Cost	County Library	Child Support Cost	Game and Fish Education
ASSETS									
Cash and cash equivalents	\$ 32,662	\$ 54,988	\$ 116,758	\$ 87,175	\$ 114,488	\$ 138,547	\$ 104,304	\$ 8,152	\$ 1,502
Accounts receivable		5	13	10	3,324	43,208	51,972	87	20,595
TOTAL ASSETS	\$ 32,662	\$ 54,993	\$ 116,771	\$ 87,185	\$ 117,812	\$ 181,755	\$ 156,276	\$ 8,239	\$ 22,097
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 41			\$ 1,542	\$ 78	\$ 104,304		
Interfund payables						21,000			
Settlements pending									
Total Liabilities		41			1,542	21,078	104,304		
Fund Balances:									
Restricted	\$ 32,662	54,952	\$ 116,771	\$ 87,185	116,270	151,845	51,972	\$ 8,239	\$ 22,097
Assigned						8,832			
Total Fund Balances	32,662	54,952	116,771	87,185	116,270	160,677	51,972	8,239	22,097
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,662	\$ 54,993	\$ 116,771	\$ 87,185	\$ 117,812	\$ 181,755	\$ 156,276	\$ 8,239	\$ 22,097

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

Schedule 1

SPECIAL REVENUE FUNDS

	Communication Facility and Equipment	Drug Control	Boating Safety	Emergency 911	Act 833 - Fire Equipment/ Training	Public Defender	Victim/Witness	Juvenile Probation Fees	Circuit Clerk's Commissioner's Fee
ASSETS									
Cash and cash equivalents	\$ 155,298	\$ 56,821	\$ 21,991	\$ 163,724	\$ 3	\$ 124,469	\$ 63,256	\$ 33,360	\$ 1,537
Accounts receivable	6,234	6	3	20,444	10,790	2,280	5,193	1,219	150
TOTAL ASSETS	\$ 161,532	\$ 56,827	\$ 21,994	\$ 184,168	\$ 10,793	\$ 126,749	\$ 68,449	\$ 34,579	\$ 1,687
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,520	\$ 1,180	\$ 74	\$ 10,113	\$ 3			\$ 259	
Interfund payables				241					
Settlements pending									
Total Liabilities	1,520	1,180	74	10,354	3			259	
Fund Balances:									
Restricted	160,012	55,647	21,920		10,790	\$ 126,749		34,320	\$ 1,687
Assigned				173,814			\$ 68,449		
Total Fund Balances	160,012	55,647	21,920	173,814	10,790	126,749	68,449	34,320	1,687
TOTAL LIABILITIES AND FUND BALANCES	\$ 161,532	\$ 56,827	\$ 21,994	\$ 184,168	\$ 10,793	\$ 126,749	\$ 68,449	\$ 34,579	\$ 1,687

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Non-Mandated Services	Law Enforcement Sales Tax	Volunteer Fire Departments	Federal Drug Control	Crimes Against Women Grant	West Nile Virus Grant	Arkansas Natural Resources Commission	Arkansas Economic Development Commission	White River Planning and Development District - General Improvement Grant
ASSETS									
Cash and cash equivalents	\$ 405,505	\$ 1,762,798	\$ 21	\$ 28,023		\$ 7,720	\$ 1	\$ 1	\$ 137,500
Accounts receivable	47,641	615,326	23,798	3	\$ 3,496		15,883		
TOTAL ASSETS	\$ 453,146	\$ 2,378,124	\$ 23,819	\$ 28,026	\$ 3,496	\$ 7,720	\$ 15,884	\$ 1	\$ 137,500
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 3,895	\$ 95,334					\$ 15,883		
Interfund payables	3,151	202							
Settlements pending									
Total Liabilities	7,046	95,536					15,883		
Fund Balances:									
Restricted	11,059	238,765	\$ 23,819	\$ 28,026		\$ 7,720	1	\$ 1	\$ 137,500
Assigned	435,041	2,043,823			\$ 3,496				
Total Fund Balances	446,100	2,282,588	23,819	28,026	3,496	7,720	1	1	137,500
TOTAL LIABILITIES AND FUND BALANCES	\$ 453,146	\$ 2,378,124	\$ 23,819	\$ 28,026	\$ 3,496	\$ 7,720	\$ 15,884	\$ 1	\$ 137,500

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

Schedule 1

	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS	AGENCY FUNDS						
	Sheriff's Communication Facility and Equipment	Capital Improvement	Arkansas Rural Community Grant	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS									
Cash and cash equivalents	\$ 219,190	\$ 1,456,009	\$ 13,200	\$ 1,941,926	\$ 325,521	\$ 78,351	\$ 43,726	\$ 335,027	\$ 8,033,554
Accounts receivable		47,763							919,443
TOTAL ASSETS	\$ 219,190	\$ 1,503,772	\$ 13,200	\$ 1,941,926	\$ 325,521	\$ 78,351	\$ 43,726	\$ 335,027	\$ 8,952,997
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 234,226
Interfund payables									24,594
Settlements pending				\$ 1,941,926	\$ 325,521	\$ 78,351	\$ 43,726	\$ 335,027	2,724,551
Total Liabilities				<u>1,941,926</u>	<u>325,521</u>	<u>78,351</u>	<u>43,726</u>	<u>335,027</u>	<u>2,983,371</u>
Fund Balances:									
Restricted	\$ 219,190	\$ 1,503,772	\$ 13,200						3,236,171
Assigned									2,733,455
Total Fund Balances	<u>219,190</u>	<u>1,503,772</u>	<u>13,200</u>						<u>5,969,626</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 219,190	\$ 1,503,772	\$ 13,200	\$ 1,941,926	\$ 325,521	\$ 78,351	\$ 43,726	\$ 335,027	\$ 8,952,997

WHITE 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	Assessor's Amendment no. 79 Administration	County Clerk's Cost	County Recorder's Cost	County Library	Child Support Cost	Game and Fish Education
REVENUES									
State aid				\$ 8,354			\$ 133,277		\$ 20,595
Federal aid							1,981		
Property taxes							1,094,900		
Sales taxes									
Fines, forfeitures, and costs			\$ 23,280						
Interest	\$ 248	\$ 367	940	737	\$ 878	\$ 1,124	1,199	\$ 205	
Officers' fees					43,032	502,926		7,084	
911 fees									
Jail fees									
Treasurer's commission	10,000								
Collector's commission		43,000							
Other									
TOTAL REVENUES	10,248	43,367	24,220	9,091	43,910	504,050	1,231,357	7,289	20,595
Less: Treasurer's commission	5	2	6	5	5	8	7,620	1	
NET REVENUES	10,243	43,365	24,214	9,086	43,905	504,042	1,223,737	7,288	20,595
EXPENDITURES									
Current:									
General government	15,698	60,691		4,170	35,779	255,756			
Law enforcement			11,383						
Highways and streets									
Public safety									
Health									
Recreation and culture							1,222,423		15,265
Social services									
Water extension									
TOTAL EXPENDITURES	15,698	60,691	11,383	4,170	35,779	255,756	1,222,423		15,265
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,455)	(17,326)	12,831	4,916	8,126	248,286	1,314	7,288	5,330
OTHER FINANCING SOURCES (USES)									
Transfers in						1,228			
Transfers out						(235,000)		(22,352)	
TOTAL OTHER FINANCING SOURCES (USES)						(233,772)		(22,352)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,455)	(17,326)	12,831	4,916	8,126	14,514	1,314	(15,064)	5,330
FUND BALANCES - JANUARY 1	38,117	72,278	103,940	82,269	108,144	146,163	50,658	23,303	16,767
FUND BALANCES - DECEMBER 31	\$ 32,662	\$ 54,952	\$ 116,771	\$ 87,185	\$ 116,270	\$ 160,677	\$ 51,972	\$ 8,239	\$ 22,097

WHITE 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	Drug Control	Boating Safety	Emergency 911	Act 833 - Fire Equipment/ Training	Public Defender	Victim/Witness	Juvenile Probation Fees	County Voting System Grant
REVENUES									
State aid			\$ 6,706		\$ 306,893				\$ 14,340
Federal aid				\$ 1,819					
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 20,972				\$ 29,816	\$ 61,716	\$ 5,854	
Interest	\$ 1,100	469	230	557		1,050	466	312	
Officers' fees								9,112	
911 fees				436,306					
Jail fees									
Treasurer's commission									
Collector's commission									
Other									
	87,325	708		1,061					
TOTAL REVENUES	88,425	22,149	6,936	439,743	306,893	30,866	62,182	15,278	14,340
Less: Treasurer's commission	7	3	2	3		7	3	2	
NET REVENUES	88,418	22,146	6,934	439,740	306,893	30,859	62,179	15,276	14,340
EXPENDITURES									
Current:									
General government									14,340
Law enforcement	53,501	13,144	11,412			27,985	95,579	10,953	
Highways and streets									
Public safety				749,599	296,103				
Health									
Recreation and culture									
Social services									
Water extension									
TOTAL EXPENDITURES	53,501	13,144	11,412	749,599	296,103	27,985	95,579	10,953	14,340
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	34,917	9,002	(4,478)	(309,859)	10,790	2,874	(33,400)	4,323	
OTHER FINANCING SOURCES (USES)									
Transfers in				294,878			42,455		
Transfers out								(6,000)	
TOTAL OTHER FINANCING SOURCES (USES)				294,878			42,455	(6,000)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	34,917	9,002	(4,478)	(14,981)	10,790	2,874	9,055	(1,677)	
FUND BALANCES - JANUARY 1	125,095	46,645	26,398	188,795		123,875	59,394	35,997	
FUND BALANCES - DECEMBER 31	\$ 160,012	\$ 55,647	\$ 21,920	\$ 173,814	\$ 10,790	\$ 126,749	\$ 68,449	\$ 34,320	\$ 0

WHITE 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

	Circuit Clerk's Commissioner's Fee	Non-Mandated Services	Law Enforcement Sales Tax	Volunteer Fire Departments	Federal Drug Control	Crimes Against Women Grant	West Nile Virus Grant	Courthouse Security Grant	Arkansas Natural Resources Commission
REVENUES									
State aid								\$ 8,550	
Federal aid		\$ 3,012	\$ 4,998			\$ 41,326			\$ 440,060
Property taxes									
Sales taxes		498,084	5,346,100	\$ 249,042					
Fines, forfeitures, and costs			178,970						
Interest	\$ 8	3,536	14,143	168	\$ 261				
Officers' fees	1,362		175						
911 fees									
Jail fees			558,005						
Treasurer's commission									
Collector's commission									
Other		25,882	187,983						
TOTAL REVENUES	1,370	530,514	6,290,374	249,210	261	41,326		8,550	440,060
Less: Treasurer's commission		3,200	34,187	1,589	2				
NET REVENUES	1,370	527,314	6,256,187	247,621	259	41,326		8,550	440,060
EXPENDITURES									
Current:									
General government		120,165							
Law enforcement			6,385,001		5,394	96,746		8,550	
Highways and streets									
Public safety		133,796		247,840					
Health		82,668							
Recreation and culture		11,950							
Social services		303,138							
Water extension									440,060
TOTAL EXPENDITURES		651,717	6,385,001	247,840	5,394	96,746		8,550	440,060
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,370	(124,403)	(128,814)	(219)	(5,135)	(55,420)			
OTHER FINANCING SOURCES (USES)									
Transfers in		51,751	18,325			55,540			
Transfers out			(87,870)						
TOTAL OTHER FINANCING SOURCES (USES)		51,751	(69,545)			55,540			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,370	(72,652)	(198,359)	(219)	(5,135)	120			
FUND BALANCES - JANUARY 1	317	518,752	2,480,947	24,038	33,161	3,376	\$ 7,720		1
FUND BALANCES - DECEMBER 31	\$ 1,687	\$ 446,100	\$ 2,282,588	\$ 23,819	\$ 28,026	\$ 3,496	\$ 7,720	\$ 0	\$ 1

WHITE 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		Totals
	Law Enforcement Block Grant	Arkansas Economic Development Commission	White River Planning and Development District - General Improvement Grant	Sheriff's Communication Facility and Equipment	Capital Improvement	
REVENUES						
State aid			\$ 137,500			\$ 663,915
Federal aid					\$ 27,700	\$ 493,196
Property taxes						1,094,900
Sales taxes					\$ 498,084	6,591,310
Fines, forfeitures, and costs						320,608
Interest				\$ 102	12,190	40,290
Officers' fees				26,708		590,399
911 fees						436,306
Jail fees						558,005
Treasurer's commission						10,000
Collector's commission						43,000
Other		\$ 1			16,061	319,021
TOTAL REVENUES		1	137,500	26,810	526,335	27,700
Less: Treasurer's commission					3,257	49,914
NET REVENUES		1	137,500	26,810	523,078	27,700
EXPENDITURES						
Current:						
General government					25,843	532,442
Law enforcement	\$ 3,440				46,149	6,769,237
Highways and streets					230,987	230,987
Public safety					2,372	1,444,210
Health					310,121	392,789
Recreation and culture						1,249,638
Social services						303,138
Water extension						440,060
TOTAL EXPENDITURES	3,440				615,472	14,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,440)	1	137,500	26,810	(92,394)	13,200
OTHER FINANCING SOURCES (USES)						
Transfers in						464,177
Transfers out	(860)					(352,082)
TOTAL OTHER FINANCING SOURCES (USES)	(860)					112,095
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,300)	1	137,500	26,810	(92,394)	13,200
FUND BALANCES - JANUARY 1	4,300			192,380	1,596,166	6,108,996
FUND BALANCES - DECEMBER 31	\$ 0	\$ 1	\$ 137,500	\$ 219,190	\$ 1,503,772	\$ 13,200

WHITE 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.
Assessor's Amendment no. 79 Administration	Ark. Code Ann. § 26-26-310 provides that 1% of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to County Assessors for the costs of administering Arkansas Constitution, Amendment no. 79.
County Clerk's 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.
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.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Game and Fish Education	Ark. Code Ann. § 6-16-1101 established fund to receive grants to be distributed to school districts or conservation districts for the sole purpose of approved conservation education programs.
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.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
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.

WHITE 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
Act 833 - Fire Equipment/Training	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.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive District Court costs levied to be used by prosecuting attorney for operating Victim/Witness program.
Juvenile Probation Fees	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
County Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to provide grants to counties to purchase voting system equipment, programming, and maintenance.
Circuit Clerk's Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to collect commissions from a sale of real or personal property and to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operational expenses of the office of Circuit Clerk.
Non-Mandated Services	In 1999, White County voters approved a one percent sales and use tax within White County. The ballot designated ten percent of this one percent sales and use tax for the Non-Mandated Services Fund.
Law Enforcement Sales Tax	White County Ordinance no. 2003-12 (August 17, 2003) established fund for a one-half percent sales and use tax to be used to acquire, construct, equip, furnish, operate, and maintain a new county jail, other criminal justice facilities, or for other law enforcement purposes.
Volunteer Fire Departments	In 1999, White County voters approved a one percent sales and use tax within White County. The ballot designated five percent of this one percent sales and use tax for the Volunteer Fire Departments Fund and is disbursed to the Volunteer Fire Departments.
Federal Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Crimes Against Women Grant	Grant money received to help support community-based organizations to serve victims of crime with priority given to programs serving victims of domestic violence, sexual assault, and child abuse.

WHITE 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
West Nile Virus Grant	Grant money received to help White County eradicate mosquitoes.
Courthouse Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for Circuit and District Courts.
Arkansas Natural Resources Commission	Fund established to account for grant money received to be used for economic development, community development, and improvement projects.
Law Enforcement Block Grant	Fund established to account for grant money received to support public safety or crime prevention efforts.
Arkansas Economic Development Commission	Fund established to account for grant money received to be used for economic development, community development, and improvement projects.
White River Planning and Development District - General Improvement Grant	Fund established to account for grant money received to be used for economic development, community development, and improvement projects.
Sheriff's Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Capital Improvement	In 1999, White County voters approved a one percent sales and use tax within White County. The ballot designated ten percent of this one percent sales and use tax for the Capital Improvement Fund and is to be used for infrastructure, machinery, equipment, and vehicles.
Arkansas Rural Community Grant	Fund established to account for grant money to assist rural communities with the improvement of local fire protection and related emergency services and construction, and development and improvement of local facilities.

Treasurer's accounts consist primarily of property taxes, Treasurer's commission, and interest not distributed to the appropriate authorities.

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

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

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

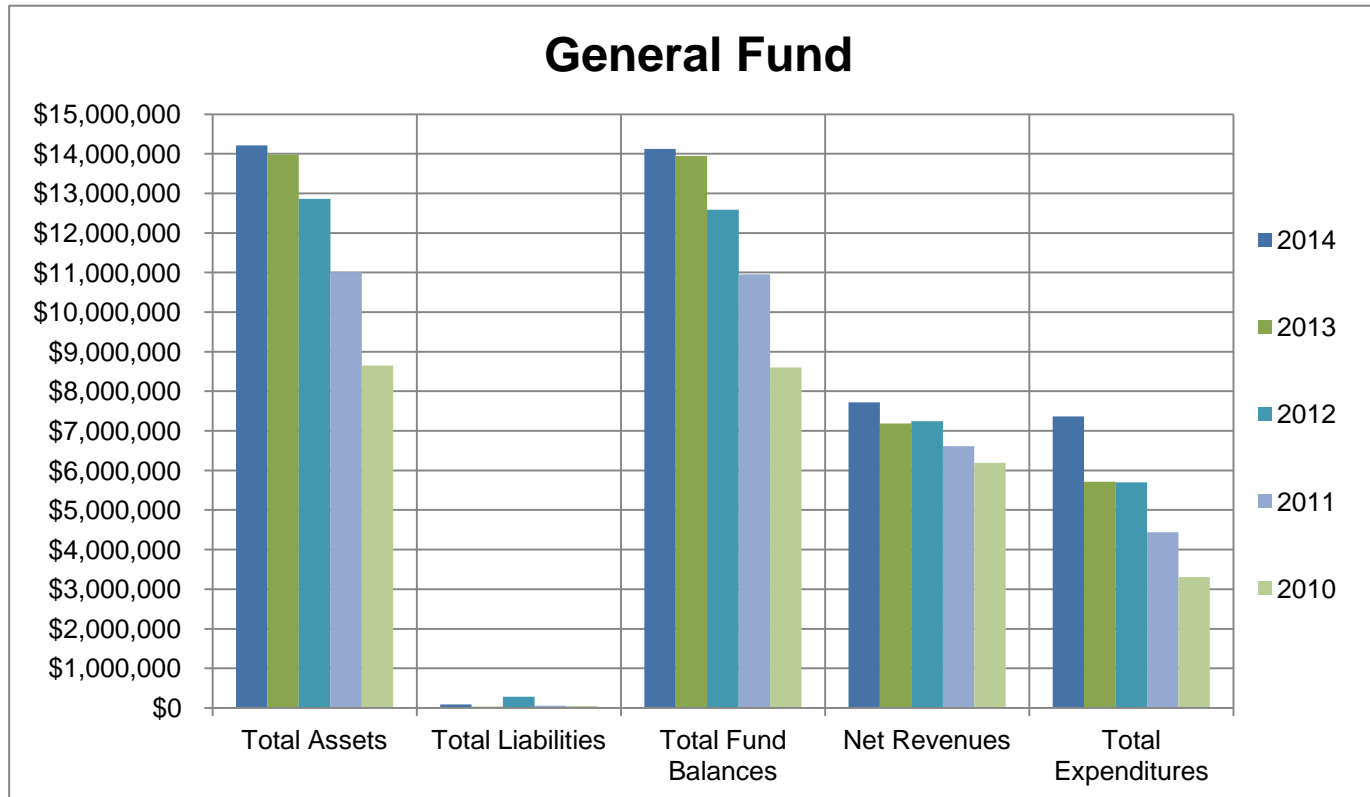
Schedule 3

	<u>December 31, 2014</u>
Land	\$ 576,000
Buildings	19,986,728
Construction in progress	44,837
Equipment	<u>10,366,794</u>
Total	<u>\$ 30,974,359</u>

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

Schedule 4-1

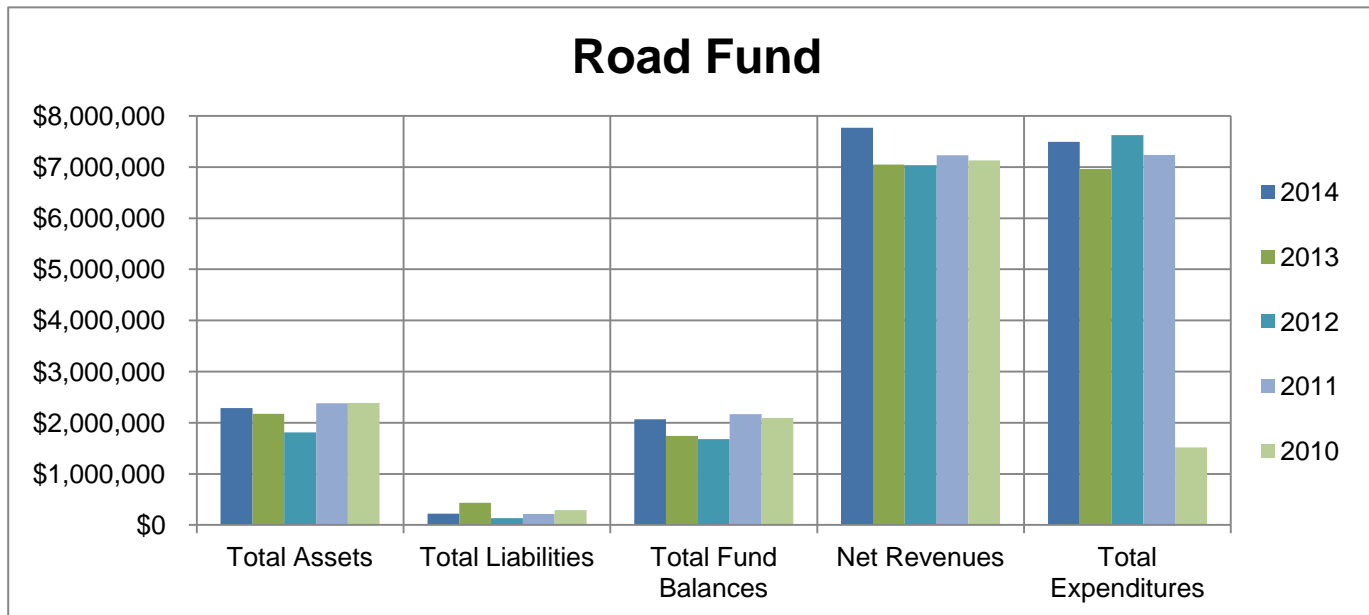
<u>General</u>	2014	2013	2012	2011	2010
Total Assets	\$ 14,213,962	\$ 13,974,627	\$ 12,864,991	\$ 11,015,179	\$ 8,647,590
Total Liabilities	87,763	32,137	279,603	58,581	47,194
Total Fund Balances	14,126,199	13,942,490	12,585,388	10,956,598	8,600,396
Net Revenues	7,717,900	7,188,199	7,241,179	6,615,983	6,195,139
Total Expenditures	7,366,908	5,718,037	5,700,872	4,438,800	3,303,085
Total Other Financing Sources/Uses	(167,283)	(2,891)	88,483	140,026	264,384



WHITE 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	\$ 2,287,793	\$ 2,175,834	\$ 1,811,144	\$ 2,382,666	\$ 2,384,774
Total Liabilities	221,153	437,081	134,337	215,038	292,405
Total Fund Balances	2,066,640	1,738,753	1,676,807	2,167,628	2,092,369
Net Revenues	7,765,019	7,046,024	7,037,522	7,227,348	7,130,739
Total Expenditures	7,492,320	6,962,127	7,624,509	7,234,815	1,515,154
Total Other Financing Sources/Uses	55,188	156,271	96,166	82,726	75,298



WHITE 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>	2014	2013	2012	2011	2010
Total Assets	\$ 8,952,997	\$ 8,993,442	\$ 8,502,867	\$ 8,976,904	\$ 9,349,182
Total Liabilities	2,983,371	2,884,446	2,865,378	3,036,397	3,298,484
Total Fund Balances	5,969,626	6,108,996	5,637,489	5,940,507	6,050,698
Net Revenues	11,111,036	10,822,593	10,417,390	10,479,602	10,150,304
Total Expenditures	11,362,501	10,172,146	10,535,759	10,328,038	9,767,552
Total Other Financing Sources/Uses	112,095	(153,380)	(184,649)	(222,752)	(339,682)

