

**Washington County, Arkansas**  
**Regulatory Basis Financial Statements**  
**and Other Reports**

**December 31, 2017**

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LEGISLATIVE JOINT AUDITING COMMITTEE



WASHINGTON COUNTY, ARKANSAS  
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# Arkansas



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Senate Chair  
Sen. Lance Eads  
Senate Vice Chair

Rep. Richard Womack  
House Chair  
Rep. Mary Bentley  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Washington 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 Washington County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

#### *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 from 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 control. 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 Washington County, Arkansas, as of December 31, 2017, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, 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 Washington County, Arkansas, as of December 31, 2017, 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.

### ***Other Matters***

#### ***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, 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 October 30, 2018, 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, CFF  
Legislative Auditor

Little Rock, Arkansas  
October 30, 2018  
LOCO07217

# Arkansas

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
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

Washington 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 Washington County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2018. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

#### 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.

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. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### 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*.

## 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 December 31, 2017:

County Judge: Joseph Wood  
Treasurer: Bobby Hill  
Sheriff: Tim Helder  
Tax Collector: Angela Wood  
County Clerk: Becky Lewallen  
Circuit Clerk: Kyle Sylvester  
Assessor: Russell Hill  
County Librarian: Glenda Audrain

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

### **County Judge**

1. During the 2018 County budget process in late 2017 and while Information Technology (IT) Director John Adams was on leave, a County Judge's Office employee noted irregularities in IT Department budget line-item transfers and disbursements, as well as related supporting documentation. As a result, the County Attorney contacted the Fourth Judicial District Prosecuting Attorney, who assigned the Fayetteville Police Department to investigate these irregularities in conjunction with the IT Department.

IT Department personnel originally identified disbursements totaling \$76,277, made with the purchasing card (P-card) assigned to Adams, that were not for County-related purposes during the period January 1, 2011 through December 31, 2017. Of this amount, Adams returned equipment and other items valued at \$4,411 to the County after he resigned from employment on January 4, 2018. According to County personnel, Adams had approximately 36 IT-related certifications and owned an in-home IT training and consulting business.

We reviewed the methodology the IT Department personnel used to determine questionable purchases and analyzed all P-card purchases for which Adams was recorded as the user. Our review revealed that Adams made 296 questionable purchases totaling \$102,308, as noted below:

- \$53,542 for 162 purchases without a reasonable County purpose, including training, travel, and other costs associated with obtaining IT certifications.
- \$16,269 for 59 purchases shipped to Adams' residence.
- \$15,516 for 31 purchases for which the invoice appeared altered.
- \$13,920 for 31 purchases using the email address of the business owned by Adams.
- \$2,603 for 11 purchases made on weekend days and after normal working hours.
- \$458 for 2 purchases with insufficient documentation.

These questionable purchases were categorized for IT certifications, exam fees, and training costs, including travel (\$43,590); equipment (\$24,924); training and reference books/DVDs (\$22,515); software (\$5,474); memberships (\$5,396); and a leather jacket and other clothing (\$409).

Additionally, in conjunction with IT Department staff, we reviewed selected purchases processed as County claims. This review indicated 22 additional questionable purchases totaling \$44,974 that were primarily for equipment, software, and training costs.

In summary, 318 purchases totaling \$147,282 made in the IT Department were deemed questionable based on factors including lack of an apparent County purpose or use, invoices that appeared to be altered, items ordered or purchased during non-working hours, items shipped to a personal residence, and items purchased using the business email of Adams. Of this amount, \$102,308 was for P-card purchases for which the former IT Director was recorded as the user, and the remaining \$44,974 was for purchases made using the claims process.

Former IT Director John Adams was charged with one count of theft of property, a class B felony, in February 2018, and a trial is scheduled for January 16, 2019.

2. Fixed asset additions and disposals were not properly recorded, as required by Ark. Code Ann. § 14-25-106.

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  
October 30, 2018

WASHINGTON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,321,121	\$ 2,689,899	\$ 24,932,492
Accounts receivable	4,383,069	545,789	2,589,648
Interfund receivables	117,858	4,177	6,213
TOTAL ASSETS	\$ 18,822,048	\$ 3,239,865	\$ 27,528,353
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 443,560	\$ 70,130	\$ 323,703
Interfund payables	10,389	55,733	62,126
Settlements pending			16,583,592
Total Liabilities	453,949	125,863	16,969,421
 Fund Balances:			
Restricted			8,139,799
Assigned	1,660,220	3,114,002	2,419,133
Unassigned	16,707,879	3,114,002	10,558,932
Total Fund Balances	18,368,099	3,114,002	10,558,932
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,822,048	\$ 3,239,865	\$ 27,528,353

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



WASHINGTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
<b>REVENUES</b>			
State aid	\$ 2,265,202	\$ 5,066,075	\$ 521,125
Federal aid	99,126	63,511	873,914
Property taxes	13,823,263	1,282,792	1,825,422
Sales taxes	4,396,881	2,931,254	9,960,426
Fines, forfeitures, and costs	453,651		1,518,399
Interest	81,602	17,217	43,263
Officers' fees	759,930		1,821,571
Jail telephone commission			263,376
Jail fees	4,416		3,090,878
Insurance premiums collected	1,730,184		
Sanitation fees	19,456		
Franchise fees	215,225		
Landfill fees		526,077	
Sale of equipment and tile		800,091	
911 fees			468,344
Treasurer's commission	275,090		75,000
Collector's commission	1,067,349		320,000
Taxes apportioned - Assessor's salary and expense	1,929,673		
Other	1,050,722	92,650	403,773
<b>TOTAL REVENUES</b>	<b>28,171,770</b>	<b>10,779,667</b>	<b>21,185,491</b>
Less: Treasurer's commission	84,114	42,877	66,408
<b>NET REVENUES</b>	<b>28,087,656</b>	<b>10,736,790</b>	<b>21,119,083</b>
<b>EXPENDITURES</b>			
Current:			
General government	13,268,797		1,055,499
Law enforcement	12,085,015		16,260,777
Highways and streets		10,003,615	202,271
Public safety	1,103,233		857,976
Sanitation	381,721		
Health	1,621,495		178,586
Recreation and culture			2,243,972
Social services	347,517		
Total Current	28,807,778	10,003,615	20,799,081
Debt Service:			
Bond principal			315,000
Bond interest and other charges			46,686
<b>TOTAL EXPENDITURES</b>	<b>28,807,778</b>	<b>10,003,615</b>	<b>21,160,767</b>

WASHINGTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (720,122)</u>	<u>\$ 733,175</u>	<u>\$ (41,684)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	862,234	404,839	1,052,816
Transfers out	<u>(248,555)</u>	<u>(804,261)</u>	<u>(1,267,073)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>613,679</u>	<u>(399,422)</u>	<u>(214,257)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(106,443)	333,753	(255,941)
FUND BALANCES - JANUARY 1	<u>18,474,542</u>	<u>2,780,249</u>	<u>10,814,873</u>
FUND BALANCES - DECEMBER 31	<u>\$ 18,368,099</u>	<u>\$ 3,114,002</u>	<u>\$ 10,558,932</u>

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

WASHINGTON 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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 2,157,255	\$ 2,265,202	\$ 107,947	\$ 4,778,440	\$ 5,066,075	\$ 287,635
Federal aid	72,500	99,126	26,626	470,524	63,511	(407,013)
Property taxes	13,615,650	13,823,263	207,613	1,350,250	1,282,792	(67,458)
Sales taxes	4,189,554	4,396,881	207,327	2,793,036	2,931,254	138,218
Fines, forfeitures, and costs	495,745	453,651	(42,094)			
Interest	53,100	81,602	28,502	8,100	17,217	9,117
Officers' fees	733,000	759,930	26,930			
Jail fees		4,416	4,416			
Insurance premiums collected	4,675,000	1,730,184	(2,944,816)			
Sanitation fees	25,275	19,456	(5,819)			
Franchise fees	227,000	215,225	(11,775)			
Landfill fees				495,000	526,077	31,077
Sale of equipment and tile					800,091	800,091
Treasurer's commission		275,090	275,090			
Collector's commission		1,067,349	1,067,349			
Taxes apportioned - Assessor's salary and expense		1,929,673	1,929,673			
Other	273,440	1,050,722	777,282	251,770	92,650	(159,120)
<b>TOTAL REVENUES</b>	<b>26,517,519</b>	<b>28,171,770</b>	<b>1,654,251</b>	<b>10,147,120</b>	<b>10,779,667</b>	<b>632,547</b>
Less: Treasurer's commission	401,800	84,114	317,686		42,877	(42,877)
<b>NET REVENUES</b>	<b>26,115,719</b>	<b>28,087,656</b>	<b>1,971,937</b>	<b>10,147,120</b>	<b>10,736,790</b>	<b>589,670</b>
EXPENDITURES						
Current:						
General government	12,552,752	13,268,797	(716,045)			
Law enforcement	12,613,512	12,085,015	528,497			
Highways and streets				11,063,393	10,003,615	1,059,778
Public safety	1,215,435	1,103,233	112,202			
Sanitation	447,678	381,721	65,957			
Health	6,796,819	1,621,495	5,175,324			
Social services	358,780	347,517	11,263			
<b>TOTAL EXPENDITURES</b>	<b>33,984,976</b>	<b>28,807,778</b>	<b>5,177,198</b>	<b>11,063,393</b>	<b>10,003,615</b>	<b>1,059,778</b>

WASHINGTON 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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (7,869,257)</u>	<u>\$ (720,122)</u>	<u>\$ 7,149,135</u>	<u>\$ (916,273)</u>	<u>\$ 733,175</u>	<u>\$ 1,649,448</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	4,181,638	862,234	(3,319,404)		404,839	404,839
Transfers out	(261,992)	(248,555)	13,437	(859,995)	(804,261)	55,734
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,919,646</u>	<u>613,679</u>	<u>(3,305,967)</u>	<u>(859,995)</u>	<u>(399,422)</u>	<u>460,573</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,949,611)	(106,443)	3,843,168	(1,776,268)	333,753	2,110,021
FUND BALANCES - JANUARY 1	<u>14,170,633</u>	<u>18,474,542</u>	<u>4,303,909</u>	<u>2,377,826</u>	<u>2,780,249</u>	<u>402,423</u>
FUND BALANCES - DECEMBER 31	<u>\$ 10,221,022</u>	<u>\$ 18,368,099</u>	<u>\$ 8,147,077</u>	<u>\$ 601,558</u>	<u>\$ 3,114,002</u>	<u>\$ 2,512,444</u>

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

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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.

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

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

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

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

**C. Basis of Accounting**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by 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.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, fees, trust, excess commission/salary and expense and interest 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.

**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.

WASHINGTON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

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

**F. Budget Law**

1. Legal Requirements

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

2. Accounting

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

**G. Fund Balance Classification Policies and Procedures**

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

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

There were no committed fund balances at year-end.

**NOTE 2: Cash Deposits with Financial Institutions**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	<u>December 31, 2017</u>	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 3,106,731	\$ 3,121,188
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	38,561,760	39,270,861
U.S. government guaranteed accounts	270,011	270,011
Total Deposits	\$ 41,938,502	\$ 42,662,060

The above total deposits do not include cash on hand of \$5,010.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

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

**NOTE 4: Accounts Receivable**

The accounts receivable balance at December 31, 2017, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 55,088		\$ 966
Federal aid	15,136		447,459
Property taxes	145,953	\$ 8,970	637
Sales taxes	356,587	237,725	807,790
Fines, forfeitures, and costs	39,220		103,841
Interest	12,629	2,464	36,915
Officers' fees	33,786		132,496
Jail telephone commission			51,189
Jail fees	4,416		318,196
Franchise fees	52,551		
Landfill fees		124,392	
911 fees			32,935
Treasurer's commission	275,090		75,000
Collector's commission	1,067,349		320,000
Taxes apportioned - Assessor's salary and expense	1,929,673		
Other	58,511	721	24,643
Treasurer's commission charged	337,080	171,517	237,581
Totals	<u>\$ 4,383,069</u>	<u>\$ 545,789</u>	<u>\$ 2,589,648</u>

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2017, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 443,560</u>	<u>\$ 70,130</u>	<u>\$ 323,703</u>



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2017	
	Interfund Receivables	Interfund Payables
General	\$ 117,858	\$ 10,389
Road	4,177	55,733
Other Funds in the Aggregate:		
Special Revenue Funds:		
Drug Court Program	1,206	28,658
Law Enforcement Grants	7	
Animal Shelter Grant	5,000	
Treasurer's Automation		1,897
Collector's Automation		5,770
Support Collections Costs		12,365
Environmental Affairs Grant		357
Drug Court Grant		11,318
Juvenile Court Grant		1,761
Totals	<u>\$ 128,248</u>	<u>\$ 128,248</u>

Interfund receivables and payables consist of interfund loans. These balances were repaid by January 31, 2018.

**NOTE 7: Federal Funds Program Compliance**

A federal compliance audit of the County's federal grants was performed for the year ended December 31, 2016, with a report date of July 26, 2018. The following findings were noted in the report:

Finding 2017-001: The SEFA (Schedule of Expenditures of Federal Awards), as prepared by Washington County, Arkansas, Federal Programs (the "County"), did not include certain small projects for the Federal Emergency Management Agency ("FEMA") Grant as expended the year the expenditures occurred.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 8: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2017, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 2,695,102
Law enforcement			887,519
Highways and streets			832,852
Public safety			1,224,060
Health			44,602
Recreation and culture			1,336,379
Debt service			1,119,285
Total Restricted			<u>8,139,799</u>
Assigned to:			
Law enforcement	\$ 5,771		2,139,801
Highways and streets		\$ 3,114,002	
Public safety			150,440
Health	2,000		118,823
Recreation and culture			10,069
Health Insurance Premiums	1,652,449		
Total Assigned	<u>1,660,220</u>	<u>3,114,002</u>	<u>2,419,133</u>
Unassigned	<u>16,707,879</u>		
Totals	<u>\$ 18,368,099</u>	<u>\$ 3,114,002</u>	<u>\$ 10,558,932</u>

**NOTE 9: 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, 2017, the legal debt limit for bonded debt was \$343,374,662. 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, 2017, the legal debt limit for short-term financing obligations was \$90,184,450. There were no short-term financing obligations.

WASHINGTON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2017:

	December 31, 2017
Long-term liabilities	\$ 2,573,851
Reappraisal contracts	2,994,333
 Total Commitments	 \$ 5,568,184

Long-term Liabilities

Long-term liabilities at December 31, 2017, are comprised of the following:

	December 31, 2017
Capital Improvement Refunding Revenue Bonds (Historic Courthouse Project) - Series 2013 for refunding the Capital Improvement Revenue Bonds (Historic Courthouse Project) - Series 2008, dated January 16, 2013, in the amount of \$2,990,000. Interest rates of .7 to 3%. Interest is payable semi-annually on May 1 to November 1 with principal payable on November 1. Bonds mature November 1, 2022. Payments are to be made from the Capital Improvement Refunding Revenue Bond (Historic Courthouse Project) Debt Service Fund.	\$ 1,545,000
Compensated absences	1,028,851
 Total Long-term liabilities	 \$ 2,573,851

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.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 10: Commitments (Continued)**

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2017:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2018	\$ 357,637
2019	356,236
2020	354,330
2021	356,080
2022	<u>236,900</u>
Total Obligations	1,661,183
Less Interest	<u>116,183</u>
Total Principal	<u><u>\$1,545,000</u></u>

Reappraisal Contract

The County entered into a professional services contract for \$4,990,555 with Arkansas CAMA Technology for real estate appraisal and reappraisal maintenance on October 22, 2015. Terms of the contract call for 60 monthly payments of \$83,176 commencing on January 1, 2016. The County is obligated for the following amounts at December 31, 2017.

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 998,111
2019	998,111
2020	<u>998,111</u>
Total	<u><u>\$ 2,994,333</u></u>

Reappraisal expense for 2017 was \$998,111

**NOTE 11: Interfund Transfers**

The General Fund transferred \$248,555 to the Other Funds in the Aggregate (HIV Clinic \$38,806, Jail Maintenance \$200,000, and Rural Community Grant \$9,749) for HIV 2016 expenses, to supplement Jail Maintenance, and for Evansville Storm Shelter. The Road Fund transferred \$804,261 to the Other Funds in the Aggregate (FEMA) to supplement road repairs. Other Funds in the Aggregate (FEMA) transferred \$404,839 of excess funds to the Road Fund. Additionally, Other Funds in the Aggregate (County Recorder's Cost and Judicial Detention Center Grant) transferred \$862,234 of excess funds to the General Fund.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 12: Pledged Revenues**

Fines and Court Cost in Criminal and Juvenile Matters-Circuit Court

The County pledged future revenues received by the County that are derived from the payment of fines (including fines in the nature of restitution) and court costs collected in criminal and juvenile matters by the Circuit Courts (including any successor courts hearing such matters) in the County that remain after the payment of prior claims that the County is legally obligated to make from such funds to repay \$2,990,000 in refunding bonds that were delivered on January 16, 2013, to provide refunding of Capital Improvement Revenue Bonds issued November 19, 2008. Total principal and interest remaining on the bonds are \$1,545,000 and \$116,183, respectively, payable through November 1, 2022. For 2017, principal and interest paid were \$315,000 and \$43,936, respectively.

The Capital Improvement Refunding Revenue Bond Fund (Historic Courthouse Project) received \$429,198 from these revenue sources in 2017. Any revenue collected in excess of debt service requirements may be used at the option of the County for administration of justice purposes.

**NOTE 13: Joint Venture**

Washington County Ambulance Authority

Washington County and the cities of Elkins, Elm Springs, Fayetteville, Farmington, Goshen, Greenland, Lincoln, Prairie Grove, Tontitown, West Fork, Winslow, and Johnson entered into an agreement on November 19, 2015, pursuant to Ark. Code Ann §§ 14-14-910, 14-266-102, and 25-20-101 to establish the Washington County Ambulance Authority (Authority). The purpose of the Authority is to provide emergency and non-emergency medical services. Terms of the agreements call for Washington County to pay a minimum contribution of \$892,774 per year for operations and \$28,400 per year for financing ambulance and equipment through the end of 2020. Washington County paid the authority \$921,806 during 2017.

**NOTE 14: Jointly Governed Organizations**

Boston Mountain Solid Waste District

Washington, Madison, Carroll, and Benton Counties entered into an agreement in April 1991 to form the Four County (NW) Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-707. This agreement stated that their emphasis would be on recycling, composting, and waste reduction. In February 2005, only Washington and Madison Counties remained in the agreement and the name was changed to Boston Mountain Solid Waste District. Washington County paid \$38,423 to the Solid Waste District during 2017. Separate financial statements of the Boston Mountain Solid Waste District may be obtained at 11398 Bond Road Boston Mountain, Prairie Grove, Arkansas 72752.

Ozark Regional Transit

Washington County participates in the Ozark Regional Transit, Inc. (ORT), a jointly governed organization. The ORT provides transit services among the various locations of its members. The majority of the ORT funding is through the Federal Transportation Administration (FTA), which includes both rural and urbanized area funding and local funding that is provided by the members of the ORT. The FTA rural funding is provided through the Arkansas Highway and Transportation Department. Other participants include Benton County, as well as other entities within these counties. Washington County paid \$123,420 to ORT for their share of the transportation benefits provided to its members. Financial statements may be obtained at Ozark Regional Transit, 2423 E. Robinson Avenue, Springdale, AR 72764.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 14: Jointly Governed Organizations (Continued)**

Fourth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourth Judicial District, the Washington County Sheriff's Department, the Madison County Sheriff's Department and the Police Departments of the University of Arkansas, Fayetteville, Springdale, Prairie Grove, Lincoln, Farmington, Johnson, Elkins, Greenland, West Fork, Elm Springs, Tontitown, Huntsville, and Goshen entered into an agreement to establish the Fourth Judicial District Drug Task Force. Funding was provided through Justice Assistance Grants and local funding provided by the Prosecuting Attorney's Office. Washington County Sheriff's Department and local police departments. Separate financial statements for the Fourth Judicial Drug Task Force were not available.

**NOTE 15: Joint Operations**

Bomb Squad

Washington County and the City of Bentonville entered into an interlocal agreement on February 12, 2010, regarding the Bomb Squad. The agreement states that equipment purchased with grant funds awarded to the County, and formally in the possession of the City of Springdale, shall remain the property of Washington County, but now will be in the physical possession of the Bentonville Bomb Squad so long as it is actively functioning as contemplated by the County. The City of Bentonville is to insure this equipment whose cost approximated \$796,501 as of December 31, 2017.

**NOTE 16: 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.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 16: Risk Management (Continued)**

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$500,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. 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 \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

**NOTE 17: Arkansas Public Employees Retirement System**

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website [www.apers.org](http://www.apers.org).

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2017 (date of APERS Employer Allocation Report) were \$3,600,266.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$35,600,316.

**NOTE 18: Self-Insured Benefits**

The County provided an insurance benefits plan for employees on a self-insured basis. Blue Advantage Administrators of Arkansas is currently the third party administrator, which provides claims administration/adjudication services for a set monthly fee based on the number of covered employees. As of December 31, 2017, the balance in the Employee Self Insured account was \$1,652,449. To safeguard against catastrophic claims expenses, the County also maintains a reinsurance policy with Sirius America Insurance Company, which will fund individual claims that exceed \$175,000 per occurrence up to \$1,000,000.

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	County Clerk's Operation	Support Collections Costs
<b>ASSETS</b>									
Cash and cash equivalents	\$ 89,549	\$ 430,190	\$ 151,683	\$ 89,210	\$ 495,396	\$ 1,000,000	\$ 1,234,978	\$ 34,836	\$ 12,365
Accounts receivable	75,061	320,320	2,643	61	10,425	139,366	46,715	409	400
Interfund receivables									
<b>TOTAL ASSETS</b>	<b><u>\$ 164,610</u></b>	<b><u>\$ 750,510</u></b>	<b><u>\$ 154,326</u></b>	<b><u>\$ 89,271</u></b>	<b><u>\$ 505,821</u></b>	<b><u>\$ 1,139,366</u></b>	<b><u>\$ 1,281,693</u></b>	<b><u>\$ 35,245</u></b>	<b><u>\$ 12,765</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 76	\$ 5,466	\$ 611		\$ 95	\$ 24,109	\$ 22,993		
Interfund payables	1,897	5,770							\$ 12,365
Settlements pending									
<b>Total Liabilities</b>	<b><u>1,973</u></b>	<b><u>11,236</u></b>	<b><u>611</u></b>		<b><u>95</u></b>	<b><u>24,109</u></b>	<b><u>22,993</u></b>		<b><u>12,365</u></b>
<b>Fund Balances:</b>									
Restricted	162,637	739,274	153,715	\$ 89,271	505,726	1,115,257	1,258,700	\$ 35,245	400
Assigned									
<b>Total Fund Balances</b>	<b><u>162,637</u></b>	<b><u>739,274</u></b>	<b><u>153,715</u></b>	<b><u>89,271</u></b>	<b><u>505,726</u></b>	<b><u>1,115,257</u></b>	<b><u>1,258,700</u></b>	<b><u>35,245</u></b>	<b><u>400</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 164,610</u></b>	<b><u>\$ 750,510</u></b>	<b><u>\$ 154,326</u></b>	<b><u>\$ 89,271</u></b>	<b><u>\$ 505,821</u></b>	<b><u>\$ 1,139,366</u></b>	<b><u>\$ 1,281,693</u></b>	<b><u>\$ 35,245</u></b>	<b><u>\$ 12,765</u></b>



WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS								
	Communication Facility and Equipment	Jail Operations Sales Tax	Boating Safety and Enforcement	Emergency 911	Drug Court Program	Circuit Court Juvenile Division	Juvenile Counsel Fee	Circuit Clerk Commissioner's Fee	Federal Emergency Management
<b>ASSETS</b>									
Cash and cash equivalents	\$ 165,617	\$ 715,657	\$ 8,506	\$ 1,186,687	\$ 171,578	\$ 20,675	\$ 1,396	\$ 40,909	\$ 625,071
Accounts receivable	59,963	1,385,017	143	40,401	4,548	787	45	359	207,781
Interfund receivables					1,206				
<b>TOTAL ASSETS</b>	<b><u>\$ 225,580</u></b>	<b><u>\$ 2,100,674</u></b>	<b><u>\$ 8,649</u></b>	<b><u>\$ 1,227,088</u></b>	<b><u>\$ 177,332</u></b>	<b><u>\$ 21,462</u></b>	<b><u>\$ 1,441</u></b>	<b><u>\$ 41,268</u></b>	<b><u>\$ 832,852</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 4,614	\$ 181,839		\$ 14,756					
Interfund payables					\$ 28,658				
Settlements pending									
<b>Total Liabilities</b>	<b><u>4,614</u></b>	<b><u>181,839</u></b>		<b><u>14,756</u></b>	<b><u>28,658</u></b>				
<b>Fund Balances:</b>									
Restricted			\$ 8,649	1,212,332	148,674	\$ 21,462	\$ 1,441	\$ 41,268	\$ 832,852
Assigned	220,966	1,918,835							
<b>Total Fund Balances</b>	<b><u>220,966</u></b>	<b><u>1,918,835</u></b>	<b><u>8,649</u></b>	<b><u>1,212,332</u></b>	<b><u>148,674</u></b>	<b><u>21,462</u></b>	<b><u>1,441</u></b>	<b><u>41,268</u></b>	<b><u>832,852</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 225,580</u></b>	<b><u>\$ 2,100,674</u></b>	<b><u>\$ 8,649</u></b>	<b><u>\$ 1,227,088</u></b>	<b><u>\$ 177,332</u></b>	<b><u>\$ 21,462</u></b>	<b><u>\$ 1,441</u></b>	<b><u>\$ 41,268</u></b>	<b><u>\$ 832,852</u></b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS								
	Northwest Arkansas Regional HIV Clinic	Drug Enforcement- State	Drug Enforcement- Federal	High Intensity Drug Trafficking Area (HIDTA)	Rural Community Grant	Juvenile Detention Center Grant	Department of Emergency Management Grant	Environmental Affairs Grant	Drug Court Grant
<b>ASSETS</b>									
Cash and cash equivalents	\$ 118,851	\$ 39,523	\$ 30,156		\$ 87,784	\$ 25,145	\$ 92,405		\$ 1,303
Accounts receivable	106	5,175	898	\$ 59,484			72,761	\$ 517	108,384
Interfund receivables									
<b>TOTAL ASSETS</b>	<b><u>\$ 118,957</u></b>	<b><u>\$ 44,698</u></b>	<b><u>\$ 31,054</u></b>	<b><u>\$ 59,484</u></b>	<b><u>\$ 87,784</u></b>	<b><u>\$ 25,145</u></b>	<b><u>\$ 165,166</u></b>	<b><u>\$ 517</u></b>	<b><u>\$ 109,687</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 134		\$ 135	\$ 21,869	\$ 36		\$ 3,158		\$ 39,364
Interfund payables								\$ 357	11,318
Settlements pending									
<b>Total Liabilities</b>	<b><u>134</u></b>		<b><u>135</u></b>	<b><u>21,869</u></b>	<b><u>36</u></b>		<b><u>3,158</u></b>	<b><u>357</u></b>	<b><u>50,682</u></b>
<b>Fund Balances:</b>									
Restricted		\$ 44,698	30,919	37,615	77,679	\$ 25,145	11,568	160	59,005
Assigned	118,823				10,069		150,440		
<b>Total Fund Balances</b>	<b><u>118,823</u></b>	<b><u>44,698</u></b>	<b><u>30,919</u></b>	<b><u>37,615</u></b>	<b><u>87,748</u></b>	<b><u>25,145</u></b>	<b><u>162,008</u></b>	<b><u>160</u></b>	<b><u>59,005</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 118,957</u></b>	<b><u>\$ 44,698</u></b>	<b><u>\$ 31,054</u></b>	<b><u>\$ 59,484</u></b>	<b><u>\$ 87,784</u></b>	<b><u>\$ 25,145</u></b>	<b><u>\$ 165,166</u></b>	<b><u>\$ 517</u></b>	<b><u>\$ 109,687</u></b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND
	Law Enforcement Grants	Animal Shelter Grant	County Law Library	Juvenile Court Grant	Assessor's Late Assessment Fee	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 40,941	\$ 39,413	\$ 308,383		\$ 5,455	\$ 1,085,238
Accounts receivable		189	10,945	\$ 2,129	569	34,047
Interfund receivables	7	5,000				
<b>TOTAL ASSETS</b>	<b>\$ 40,948</b>	<b>\$ 44,602</b>	<b>\$ 319,328</b>	<b>\$ 2,129</b>	<b>\$ 6,024</b>	<b>\$ 1,119,285</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable			\$ 4,448			
Interfund payables				\$ 1,761		
Settlements pending						
<b>Total Liabilities</b>			<b>4,448</b>	<b>1,761</b>		
<b>Fund Balances:</b>						
Restricted	\$ 40,948	\$ 44,602	314,880	368	\$ 6,024	\$ 1,119,285
Assigned						
<b>Total Fund Balances</b>	<b>40,948</b>	<b>44,602</b>	<b>314,880</b>	<b>368</b>	<b>6,024</b>	<b>1,119,285</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 40,948</b>	<b>\$ 44,602</b>	<b>\$ 319,328</b>	<b>\$ 2,129</b>	<b>\$ 6,024</b>	<b>\$ 1,119,285</b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

AGENCY FUNDS									
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Assessor's Account	Juvenile Services	County Judge	Totals
<b>ASSETS</b>									
Cash and cash equivalents	\$ 12,159,349	\$ 1,152,021	\$ 435,345	\$ 104,873	\$ 2,731,604	\$ 150	\$ 100	\$ 150	\$ 24,932,492
Accounts receivable									2,589,648
Interfund receivables									6,213
<b>TOTAL ASSETS</b>	<u>\$ 12,159,349</u>	<u>\$ 1,152,021</u>	<u>\$ 435,345</u>	<u>\$ 104,873</u>	<u>\$ 2,731,604</u>	<u>\$ 150</u>	<u>\$ 100</u>	<u>\$ 150</u>	<u>\$ 27,528,353</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable									\$ 323,703
Interfund payables									62,126
Settlements pending	\$ 12,159,349	\$ 1,152,021	\$ 435,345	\$ 104,873	\$ 2,731,604	\$ 150	\$ 100	\$ 150	16,583,592
<b>Total Liabilities</b>	<u>12,159,349</u>	<u>1,152,021</u>	<u>435,345</u>	<u>104,873</u>	<u>2,731,604</u>	<u>150</u>	<u>100</u>	<u>150</u>	<u>16,969,421</u>
Fund Balances:									
Restricted									8,139,799
Assigned									2,419,133
<b>Total Fund Balances</b>									<u>10,558,932</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,159,349</u>	<u>\$ 1,152,021</u>	<u>\$ 435,345</u>	<u>\$ 104,873</u>	<u>\$ 2,731,604</u>	<u>\$ 150</u>	<u>\$ 100</u>	<u>\$ 150</u>	<u>\$ 27,528,353</u>

WASHINGTON 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, 2017

Schedule 2

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	County Clerk's Operation	Support Collections Costs
REVENUES									
State aid				\$ 38,004			\$ 277,131		\$ 60
Federal aid									12,361
Property taxes							1,819,405		
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 518	\$ 2,699	\$ 881	542	\$ 2,641	\$ 6,197	6,101	\$ 200	9
Officers' fees			28,436		122,843	1,535,683		4,628	75
Jail telephone commission									
Jail fees									
911 fees									
Treasurer's commission	75,000								
Collector's commission		320,000							
Other	432	72	15	6	80	83	1,320		
<b>TOTAL REVENUES</b>	<b>75,950</b>	<b>322,771</b>	<b>29,332</b>	<b>38,552</b>	<b>125,564</b>	<b>1,541,963</b>	<b>2,103,957</b>	<b>4,828</b>	<b>12,505</b>
Less: Treasurer's commission			117		502	6,243	8,037	19	49
<b>NET REVENUES</b>	<b>75,950</b>	<b>322,771</b>	<b>29,215</b>	<b>38,552</b>	<b>125,062</b>	<b>1,535,720</b>	<b>2,095,920</b>	<b>4,809</b>	<b>12,456</b>
EXPENDITURES									
Current:									
General government	10,906	259,931		11,189	37,265	720,031		3,812	12,365
Law enforcement			39,240						
Highways and streets									
Public safety									
Health									
Recreation and culture							2,241,552		
Total Current	10,906	259,931	39,240	11,189	37,265	720,031	2,241,552	3,812	12,365
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>10,906</b>	<b>259,931</b>	<b>39,240</b>	<b>11,189</b>	<b>37,265</b>	<b>720,031</b>	<b>2,241,552</b>	<b>3,812</b>	<b>12,365</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65,044	62,840	(10,025)	27,363	87,797	815,689	(145,632)	997	91
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out						(857,744)			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						<b>(857,744)</b>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	65,044	62,840	(10,025)	27,363	87,797	(42,055)	(145,632)	997	91
FUND BALANCES - JANUARY 1	97,593	676,434	163,740	61,908	417,929	1,157,312	1,404,332	34,248	309
FUND BALANCES - DECEMBER 31	<b>\$ 162,637</b>	<b>\$ 739,274</b>	<b>\$ 153,715</b>	<b>\$ 89,271</b>	<b>\$ 505,726</b>	<b>\$ 1,115,257</b>	<b>\$ 1,258,700</b>	<b>\$ 35,245</b>	<b>\$ 400</b>

WASHINGTON 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Communicatio n Facility and Equipment	Jail Operations Sales Tax	Boating Safety and Enforcement	Emergency 911	Drug Court Program	Circuit Court Juvenile Division	Juvenile Counsel Fee	Circuit Clerk Commissioner's Fee	Federal Emergency Management
REVENUES									
State aid			\$ 8,465						
Federal aid									\$ 225,521
Property taxes									
Sales taxes		\$ 9,960,426							
Fines, forfeitures, and costs		948,348							
Interest	\$ 1,520	3,188	66	\$ 7,200	\$ 893	\$ 207	\$ 7	\$ 225	
Officers' fees	51,444				55,056	5,140	280	4,512	
Jail telephone commission	263,376								
Jail fees		3,090,878							
911 fees				468,344					
Treasurer's commission									
Collector's commission									
Other	4,105	204,649	12	3,605	13				
<b>TOTAL REVENUES</b>	<b>320,445</b>	<b>14,207,489</b>	<b>8,543</b>	<b>479,149</b>	<b>55,962</b>	<b>5,347</b>	<b>287</b>	<b>4,737</b>	<b>225,521</b>
Less: Treasurer's commission	1,209	46,046	34	1,669	230	19	1	17	
<b>NET REVENUES</b>	<b>319,236</b>	<b>14,161,443</b>	<b>8,509</b>	<b>477,480</b>	<b>55,732</b>	<b>5,328</b>	<b>286</b>	<b>4,720</b>	<b>225,521</b>
EXPENDITURES									
Current:									
General government									
Law enforcement	391,871	14,970,969	14,071		28,658	30,990			
Highways and streets									202,271
Public safety				622,368					
Health									
Recreation and culture									
<b>Total Current</b>	<b>391,871</b>	<b>14,970,969</b>	<b>14,071</b>	<b>622,368</b>	<b>28,658</b>	<b>30,990</b>			<b>202,271</b>
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>391,871</b>	<b>14,970,969</b>	<b>14,071</b>	<b>622,368</b>	<b>28,658</b>	<b>30,990</b>			<b>202,271</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(72,635)	(809,526)	(5,562)	(144,888)	27,074	(25,662)	286	4,720	23,250
OTHER FINANCING SOURCES (USES)									
Transfers in		200,000							804,261
Transfers out									(404,839)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>200,000</b>							<b>399,422</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(72,635)	(609,526)	(5,562)	(144,888)	27,074	(25,662)	286	4,720	422,672
FUND BALANCES - JANUARY 1	293,601	2,528,361	14,211	1,357,220	121,600	47,124	1,155	36,548	410,180
FUND BALANCES - DECEMBER 31	\$ 220,966	\$ 1,918,835	\$ 8,649	\$ 1,212,332	\$ 148,674	\$ 21,462	\$ 1,441	\$ 41,268	\$ 832,852

WASHINGTON 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Northwest Arkansas Regional HIV Clinic	Drug Enforcement- State	Drug Enforcement- Federal	High Intensity Drug Trafficking Area (HIDTA) Grant	Rural Community Grant	Juvenile Detention Center Grant	Department of Emergency Management Grant	Environmental Affairs Grant	Drug Court Grant
REVENUES									
State aid					\$ 70,000	\$ 31,167			\$ 56,939
Federal aid				\$ 264,732			\$ 215,047		156,253
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 22,746	\$ 10,968						
Interest	\$ 980	186	225						
Officers' fees									
Jail telephone commission									
Jail fees									
911 fees									
Treasurer's commission									
Collector's commission									
Other	127,533					20	36,960	\$ 12,049	
<b>TOTAL REVENUES</b>	<b>128,513</b>	<b>22,932</b>	<b>11,193</b>	<b>264,732</b>	<b>70,000</b>	<b>31,187</b>	<b>252,007</b>	<b>12,049</b>	<b>213,192</b>
Less: Treasurer's commission	3	27							
<b>NET REVENUES</b>	<b>128,510</b>	<b>22,905</b>	<b>11,193</b>	<b>264,732</b>	<b>70,000</b>	<b>31,187</b>	<b>252,007</b>	<b>12,049</b>	<b>213,192</b>
EXPENDITURES									
Current:									
General government									
Law enforcement		4,166	28,041	328,754		35,098			225,169
Highways and streets									
Public safety							223,535	12,073	
Health	170,140								
Recreation and culture					2,420				
Total Current	170,140	4,166	28,041	328,754	2,420	35,098	223,535	12,073	225,169
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>170,140</b>	<b>4,166</b>	<b>28,041</b>	<b>328,754</b>	<b>2,420</b>	<b>35,098</b>	<b>223,535</b>	<b>12,073</b>	<b>225,169</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(41,630)	18,739	(16,848)	(64,022)	67,580	(3,911)	28,472	(24)	(11,977)
OTHER FINANCING SOURCES (USES)									
Transfers in	38,806				9,749				
Transfers out						(4,490)			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>38,806</b>				<b>9,749</b>	<b>(4,490)</b>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,824)	18,739	(16,848)	(64,022)	77,329	(8,401)	28,472	(24)	(11,977)
FUND BALANCES - JANUARY 1	121,647	25,959	47,767	101,637	10,419	33,546	133,536	184	70,982
FUND BALANCES - DECEMBER 31	\$ 118,823	\$ 44,698	\$ 30,919	\$ 37,615	\$ 87,748	\$ 25,145	\$ 162,008	\$ 160	\$ 59,005

WASHINGTON 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	Totals
	Law Enforcement Grants	Animal Shelter Grant	County Law Library	Juvenile Court Grant	Assessor's Late Assessment Fee	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	
REVENUES							
State aid	\$ 11,800			\$ 27,559			\$ 521,125
Federal aid							873,914
Property taxes					\$ 6,017		1,825,422
Sales taxes							9,960,426
Fines, forfeitures, and costs			\$ 110,139			\$ 426,198	1,518,399
Interest			1,697		7	7,074	43,263
Officers' fees			13,474				1,821,571
Jail telephone commission							263,376
Jail fees							3,090,878
911 fees							468,344
Treasurer's commission							75,000
Collector's commission							320,000
Other		\$ 12,819					403,773
<b>TOTAL REVENUES</b>	<b>11,800</b>	<b>12,819</b>	<b>125,310</b>	<b>27,559</b>	<b>6,024</b>	<b>433,272</b>	<b>21,185,491</b>
Less: Treasurer's commission			450			1,736	66,408
<b>NET REVENUES</b>	<b>11,800</b>	<b>12,819</b>	<b>124,860</b>	<b>27,559</b>	<b>6,024</b>	<b>431,536</b>	<b>21,119,083</b>
EXPENDITURES							
Current:							
General government							1,055,499
Law enforcement	43,554		93,005	27,191			16,260,777
Highways and streets							202,271
Public safety							857,976
Health		8,446					178,586
Recreation and culture							2,243,972
<b>Total Current</b>	<b>43,554</b>	<b>8,446</b>	<b>93,005</b>	<b>27,191</b>			<b>20,799,081</b>
Debt Service:							
Bond principal						315,000	315,000
Bond interest and other charges						46,686	46,686
<b>TOTAL EXPENDITURES</b>	<b>43,554</b>	<b>8,446</b>	<b>93,005</b>	<b>27,191</b>		<b>361,686</b>	<b>21,160,767</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(31,754)</b>	<b>4,373</b>	<b>31,855</b>	<b>368</b>	<b>6,024</b>	<b>69,850</b>	<b>(41,684)</b>
OTHER FINANCING SOURCES (USES)							
Transfers in							1,052,816
Transfers out							(1,267,073)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							<b>(214,257)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(31,754)</b>	<b>4,373</b>	<b>31,855</b>	<b>368</b>	<b>6,024</b>	<b>69,850</b>	<b>(255,941)</b>
FUND BALANCES - JANUARY 1	72,702	40,229	283,025			1,049,435	10,814,873
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 40,948</b>	<b>\$ 44,602</b>	<b>\$ 314,880</b>	<b>\$ 368</b>	<b>\$ 6,024</b>	<b>\$ 1,119,285</b>	<b>\$ 10,558,932</b>



WASHINGTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross 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	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 Ark. Const. amend. 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 an automated records system.
County Public 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.
County Clerk's Operation	Ark. Code Ann. § 16-20-407 established fund to account for a \$2 marriage license fee to be used for operation of the county clerk's office.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
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.
Jail Operations Sales Tax	Washington County Ordinance no. 2002-12 (March 26, 2002) established 1/4% sales tax for the maintenance and operation of the jail and sheriff's facilities.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.

WASHINGTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Juvenile Counsel Fee	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit 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.
Federal Emergency Management	Established to account for federal grants received for the Federal Emergency Management.
Northwest Arkansas Regional HIV Clinic	Originally established to account for state and local grants. Now supported by health insurance proceeds and local contributions.
Drug Enforcement-State	Ark. Code Ann. § 5-64-505 established fund to separately account for funds received through the Federal Equitable Sharing Agreement.
Drug Enforcement-Federal	Ark. Code Ann. § 5-64-505 established fund to separately account for funds received through the Federal Equitable Sharing Agreement.
High Intensity Drug Trafficking Area (HIDTA) Grant	Established to account for federal aid received for High Intensity Drug Trafficking Area.

WASHINGTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Rural Community Grant	Established to account for state grants and county and local matching grants.
Juvenile Detention Center Grant	Established to account for state and federal grants received for operation of the Juvenile Detention Center.
Department of Emergency Management Grant	Established to account for federal grants received for the Department of Emergency Management.
Environmental Affairs Grant	Washington County Ordinance no. 2013-03 (February 25, 2013) established to account for Boston Mountain Solid Waste District grant.
Drug Court Grant	Established to account for federal grants received for operation of the drug court of Washington County.
Law Enforcement Grants	Established to account for federal and state grants and work release fees.
Animal Shelter Grant	Established to account for local grant proceeds received from PetSmart Charities to be used for promoting adoptions from the animal shelter.
County Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from costs levied and to fund law library expenditures.
Juvenile Court Grant	Established to account for grant received from Arkansas Department of Human Services/Division of Youth Services and the Arkansas Coalition for Juvenile Justice
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201(d) established fund to receive collections from a \$.50 fee levied for delinquent property assessments.
Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	Washington County Ordinance no. 2012-69 (November 15, 2012) authorized issuance of Capital Improvement Refunding Revenue Bonds (Historic Courthouse Project) - Series 2013 for the purpose of refunding Capital Improvement Revenue Bonds (Historic Courthouse Project) - Series 2008, and the payment of the debt service on the Historic Courthouse Renovation Project.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
	Treasurer's accounts consist primarily of property taxes, excess commission, and interest not distributed to appropriate entities and monies held for other agencies.
	Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.
	Sheriff's accounts consist primarily of fees settlement, bond, and evidence 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.
	Assessor's Account consists of a change fund.
	Juvenile Service's accounts consist of juvenile fees awaiting disposition to Treasurer.
	County Judge's accounts consist of change funds for multiple departments.

WASHINGTON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2017  
(Unaudited)

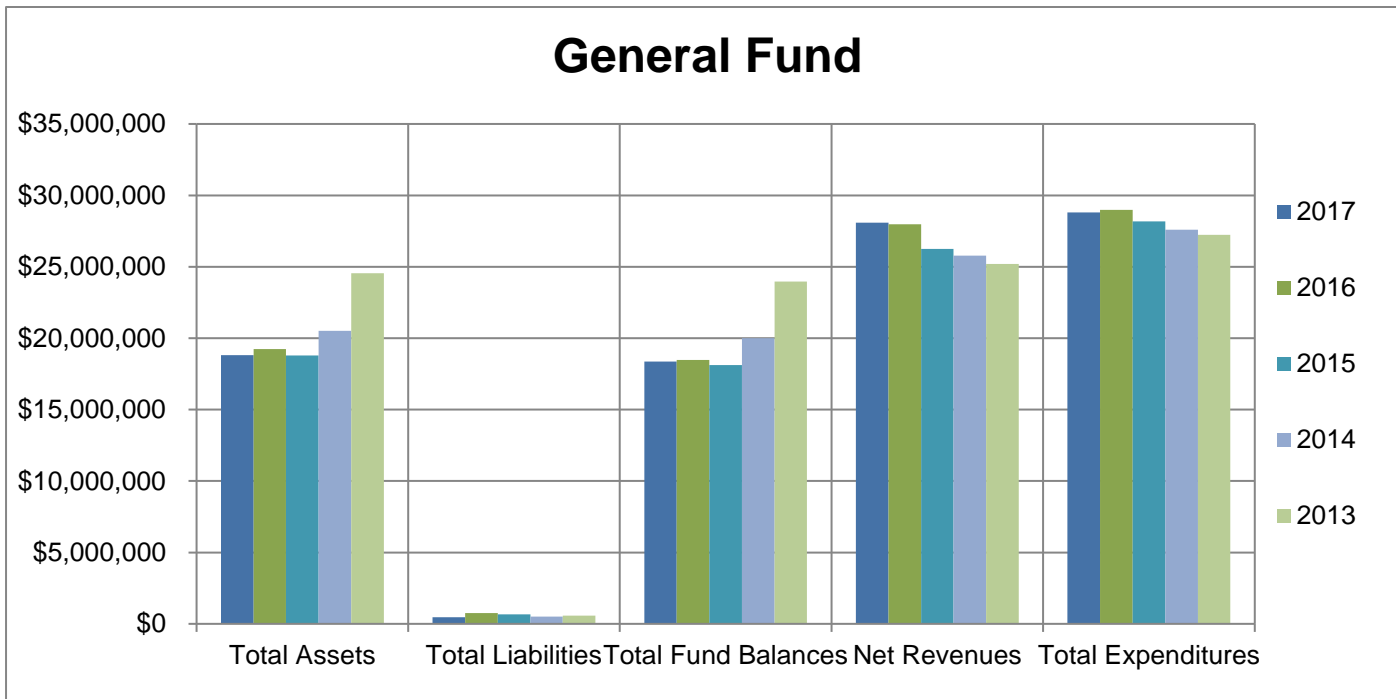
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 3,516,590
Buildings and improvements	69,074,841
Equipment	<u>25,208,554</u>
Total	<u>\$ 97,799,985</u>

WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-1

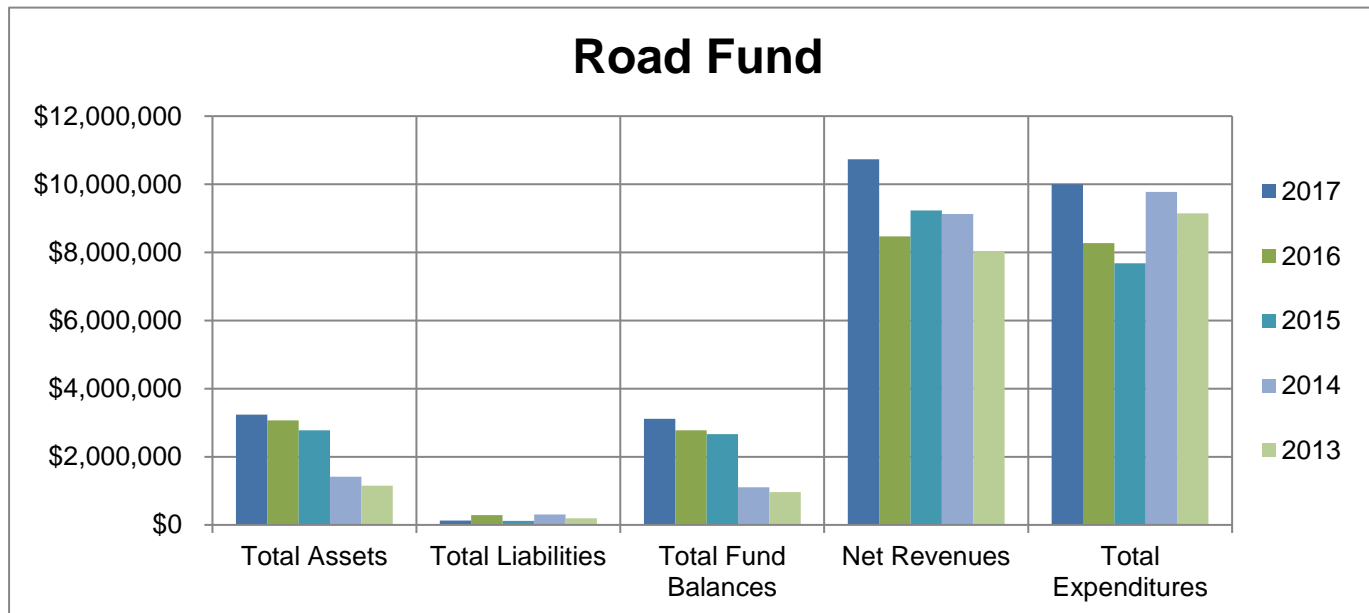
<b>General</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 18,822,048	\$ 19,238,880	\$ 18,784,538	\$ 20,511,140	\$ 24,537,997
Total Liabilities	453,949	764,338	655,410	512,644	574,110
Total Fund Balances	18,368,099	18,474,542	18,129,128	19,998,496	23,963,887
Net Revenues	28,087,656	27,973,863	26,257,791	25,785,322	25,202,706
Total Expenditures	28,807,778	28,978,918	28,168,014	27,585,012	27,240,361
Total Other Financing Sources/Uses	613,679	1,350,469	40,855	(2,165,701)	(902,039)



WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-2

<u>Road</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 3,239,865	\$ 3,066,977	\$ 2,776,491	\$ 1,415,360	\$ 1,152,839
Total Liabilities	125,863	286,728	116,380	309,568	193,360
Total Fund Balances	3,114,002	2,780,249	2,660,111	1,105,792	959,479
Net Revenues	10,736,790	8,469,442	9,231,922	9,122,965	8,037,223
Total Expenditures	10,003,615	8,271,503	7,677,603	9,776,652	9,149,756
Total Other Financing Sources/Uses	(399,422)	(77,801)		800,000	



WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-3

<b>Other Funds in the Aggregate</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 27,528,353	\$ 24,959,841	\$ 23,557,810	\$ 20,598,634	\$ 19,796,942
Total Liabilities	16,969,421	14,144,968	13,990,734	12,791,751	11,815,123
Total Fund Balances	10,558,932	10,814,873	9,567,076	7,806,883	7,981,819
Net Revenues	21,119,083	22,019,136	20,731,654	19,336,294	20,627,849
Total Expenditures	21,160,767	19,743,187	18,930,606	20,054,805	20,596,091
Total Other Financing Sources/Uses	(214,257)	(1,272,668)	(40,855)	543,575	611,593

