

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

**December 31, 2015**

LEGISLATIVE JOINT AUDITING COMMITTEE

---



WASHINGTON COUNTY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Independent Auditor's Report  
Report on Internal Control Over Financial Reporting, Compliance and Other Matters, and Other Issues Based on an  
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

# Arkansas

**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

### 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, 2015, 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 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 Washington County, Arkansas, as of December 31, 2015, 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 Washington County, Arkansas, as of December 31, 2015, 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.

**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, 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 November 16, 2016, 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  
November 16, 2016  
LOCO07215

# 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, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2016. 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 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:

2015-1 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, again did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets. 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 2015:

County Judge: Marilyn Edwards  
Treasurer: Bobby Hill  
Sheriff: Tim Helder  
Tax Collector: David Ruff  
County Clerk: Becky Lewallen  
Circuit Clerk: Kyle Sylvester  
Assessor: Russell Hill  
County Librarian: Glenda Audrain

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



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
November 16, 2016

WASHINGTON COUNTY, ARKANSAS  
 BALANCE SHEET - REGULATORY BASIS  
 DECEMBER 31, 2015

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,211,398	\$ 2,323,330	\$ 21,383,064
Accounts receivable	4,538,928	448,229	2,174,625
Interfund receivables	34,212	4,932	121
<b>TOTAL ASSETS</b>	<b><u>\$ 18,784,538</u></b>	<b><u>\$ 2,776,491</u></b>	<b><u>\$ 23,557,810</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 438,231	\$ 116,380	\$ 276,277
Interfund payables	5,053		34,212
Settlements pending	212,126		13,680,245
<b>Total Liabilities</b>	<b><u>655,410</u></b>	<b><u>116,380</u></b>	<b><u>13,990,734</u></b>
<b>Fund Balances:</b>			
Restricted			6,826,200
Assigned	1,091,793	2,660,111	2,740,876
Unassigned	17,037,335		
<b>Total Fund Balances</b>	<b><u>18,129,128</u></b>	<b><u>2,660,111</u></b>	<b><u>9,567,076</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 18,784,538</u></b>	<b><u>\$ 2,776,491</u></b>	<b><u>\$ 23,557,810</u></b>

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, 2015

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 2,085,919	\$ 4,794,890	\$ 522,419
Federal aid	73,253	62,192	985,843
Property taxes	13,006,242	1,223,216	1,755,130
Sales taxes	4,065,606	2,554,325	9,004,881
Fines, forfeitures, and costs	641,533		1,449,289
Interest	32,561	3,325	14,189
Officers' fees	688,403		1,697,674
Jail telephone commissions			293,667
Donations			192,200
Jail fees	8,648		3,705,870
911 fees			509,482
Franchise fees	225,291		
Sanitation fees	21,173		
Insurance premiums collected	1,441,805		
Local grants			11,430
Landfill fees		501,341	
Treasurer's commission	258,675		45,752
Collector's commission	1,131,892		370,016
Taxes apportioned - Assessor's salary and expense	1,698,651		
Other	962,279	131,913	238,109
	26,341,931	9,271,202	20,795,951
Less: Treasurer's commission	84,140	39,280	64,297
	26,257,791	9,231,922	20,731,654
EXPENDITURES			
Current:			
General government	12,834,572		718,982
Law enforcement	11,066,343		14,806,279
Highways and streets		7,308,492	
Public safety	1,110,003		816,558
Sanitation	404,683		
Health	1,549,409		189,997
Recreation and culture			2,035,265
Social services	205,084		
Economic development			8,989
Total Current	27,170,094	7,308,492	18,576,070



WASHINGTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B

	General	Road	Other Funds in the Aggregate
EXPENDITURES (Continued)			
Debt Service:			
Bond principal			\$ 300,000
Bond interest and other charges			54,536
Lease principal		\$ 351,256	
Lease interest		17,855	
Court (Act 663) fee repayment	\$ 997,920		
TOTAL EXPENDITURES	28,168,014	7,677,603	18,930,606
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,910,223)	1,554,319	1,801,048
OTHER FINANCING SOURCES (USES)			
Transfers in	879,661		838,806
Transfers out	(838,806)		(879,661)
TOTAL OTHER FINANCING SOURCES (USES)	40,855		(40,855)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,869,368)	1,554,319	1,760,193
FUND BALANCES - JANUARY 1	19,998,496	1,105,792	7,806,883
FUND BALANCES - DECEMBER 31	\$ 18,129,128	\$ 2,660,111	\$ 9,567,076

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, 2015

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 2,158,341	\$ 2,085,919	\$ (72,422)	\$ 1,806,000	\$ 4,794,890	\$ 2,988,890
Federal aid		73,253	73,253	64,585	62,192	(2,393)
Property taxes	11,910,430	13,006,242	1,095,812	1,182,989	1,223,216	40,227
Sales taxes	3,783,600	4,065,606	282,006	2,522,400	2,554,325	31,925
Fines, forfeitures, and costs	530,715	641,533	110,818			
Interest	40,600	32,561	(8,039)	1,500	3,325	1,825
Officers' fees	637,700	688,403	50,703			
Jail fees		8,648	8,648			
911 fees				3,151,000		(3,151,000)
Franchise fees	190,000	225,291	35,291			
Sanitation fees	20,756	21,173	417			
Insurance premiums collected	4,450,000	1,441,805	(3,008,195)			
Landfill fees				420,000	501,341	81,341
Treasurer's commission		258,675	258,675			
Collector's commission		1,131,892	1,131,892			
Taxes apportioned - Assessor's salary and expense		1,698,651	1,698,651			
Other	1,779,470	962,279	(817,191)	224,750	131,913	(92,837)
<b>TOTAL REVENUES</b>	<b>25,501,612</b>	<b>26,341,931</b>	<b>840,319</b>	<b>9,373,224</b>	<b>9,271,202</b>	<b>(102,022)</b>
Less: Treasurer's commission	375,055	84,140	290,915	145,000	39,280	105,720
<b>NET REVENUES</b>	<b>25,126,557</b>	<b>26,257,791</b>	<b>1,131,234</b>	<b>9,228,224</b>	<b>9,231,922</b>	<b>3,698</b>
EXPENDITURES						
Current:						
General government	16,386,709	12,834,572	3,552,137			
Law enforcement	11,949,694	11,066,343	883,351			
Highways and streets				8,311,383	7,308,492	1,002,891
Public safety	1,210,250	1,110,003	100,247			
Sanitation	451,478	404,683	46,795			
Health	1,558,768	1,549,409	9,359			
Social services	209,073	205,084	3,989			
<b>Total Current</b>	<b>31,765,972</b>	<b>27,170,094</b>	<b>4,595,878</b>	<b>8,311,383</b>	<b>7,308,492</b>	<b>1,002,891</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, 2015

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)						
Debt Service:						
Lease principal				\$ 351,257	\$ 351,256	\$ 1
Lease interest				17,855	17,855	
Court (Act 663) fee repayment	\$ 997,920	\$ 997,920				
TOTAL EXPENDITURES	<u>32,763,892</u>	<u>28,168,014</u>	<u>\$ 4,595,878</u>	<u>8,680,495</u>	<u>7,677,603</u>	<u>1,002,892</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,637,335)</u>	<u>(1,910,223)</u>	<u>5,727,112</u>	<u>547,729</u>	<u>1,554,319</u>	<u>1,006,590</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,656,000	879,661	(2,776,339)			
Transfers out	<u>(838,806)</u>	<u>(838,806)</u>				
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,817,194</u>	<u>40,855</u>	<u>(2,776,339)</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,820,141)	(1,869,368)	2,950,773	547,729	1,554,319	1,006,590
FUND BALANCES - JANUARY 1	<u>15,206,976</u>	<u>19,998,496</u>	<u>4,791,520</u>	<u>591,724</u>	<u>1,105,792</u>	<u>514,068</u>
FUND BALANCES - DECEMBER 31	<u>\$ 10,386,835</u>	<u>\$ 18,129,128</u>	<u>\$ 7,742,293</u>	<u>\$ 1,139,453</u>	<u>\$ 2,660,111</u>	<u>\$ 1,520,658</u>

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

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**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: General, Employee Insurance, and Drug-Buy.

**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, 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. The following Special Revenue Funds are reported with other funds in the aggregate: County Public Library, Northwest Arkansas Regional HIV Clinic, Jail Operations Sales Tax, High Intensity Drug Trafficking Area (HIDTA) Grant, Boating Safety and Enforcement, Emergency 911, Communication Facility and Equipment, Juvenile Counsel Fee, Support Collections Cost, County Recorder's Cost, Treasurer's Automation, Law Enforcement Grants, Drug Court Program, Rural Community Grant, County Clerk's Operation, Collector's Automation, County Clerk's Cost, Circuit Court Automation, Drug Enforcement- State, Drug Enforcement- Federal, Assessor's Amendment no. 79, Juvenile Detention Center Grant, Drug Court Grant, Tyson's Project, Circuit Court-Juvenile Division, Circuit Clerk Commissioner's Fee, Environmental Affairs Grant, Department of Emergency Management Grant, and Animal Shelter Grant.

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. The following Debt Service Fund is reported with other funds in the aggregate: Capital Improvement Refunding Revenue Bond (Historic Courthouse Project).

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: Treasurer (Flexible Spending, Law Library, Treasurer's Commission, Collector's Commission, Interest, Common School, Boston Mountain Solid Waste, and Escheated Estates), Collector (Main and Change), Sheriff (Fee, Felony Bond, and Execution), County Clerk (Fee, Trust, and Petty Cash), Circuit Clerk (Fee, Advanced Cost, Child Support, Fines and Costs, Juvenile Fines and Costs, Trust, and Change), Assessor (Change), and County Judge (Juvenile Detention Center, Archives Change, and Environmental Affairs Change).

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**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 commissions/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.

**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.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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

**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.

**NOTE 4: Accounts Receivable**

The accounts receivable balance at December 31, 2015, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 3,042
Federal aid			76,305
Property taxes	\$ 523,490	\$ 49,556	72,335
Sales taxes	424,169	126,700	748,742
Fines, forfeitures, and costs	38,621		100,922
Interest	447	209	340
Officers' fees	29,792		140,924
Jail telephone commissions			48,071
Jail fees	8,648		301,437
911 fees			33,637
Franchise fees	57,629		
Local grants			397
Landfill fees		123,949	
Treasurer's commission	258,675		34,000
Collector's commission	1,131,892		370,016
Assessor's salary and expense	1,698,581		
Other	54,204	1,797	5,441
Excess treasurer's commission	312,780	146,018	239,016
<b>Totals</b>	<b>\$ 4,538,928</b>	<b>\$ 448,229</b>	<b>\$ 2,174,625</b>

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2015, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 438,231	\$ 116,380	\$ 276,277

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2015	
	Interfund Receivables	Interfund Payables
General	\$ 34,212	\$ 5,053
Road	4,932	
Other Funds in the Aggregate:		
Special Revenue:		
Juvenile Detention Center Grant	121	
Support Collections Costs		13,792
Drug Court Program		20,420
Totals	\$ 39,265	\$ 39,265

Interfund receivables and payables consist of interfund loans. These balances were repaid by February 2, 2016.

**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, 2015, the legal debt limit for bonded debt was \$318,443,137. 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, 2015, the legal debt limit for short-term financing obligations was \$83,538,838. The amount of short-term financing obligations was \$360,073, leaving a legal debt margin of \$83,178,765.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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

Fund balance classifications at December 31, 2015, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
<u>Fund Balances:</u>			
Restricted for:			
General government			\$ 2,602,018
Law enforcement			544,104
Public safety			1,270,714
Health			124,536
Recreation and culture			1,266,681
Debt service			1,018,147
Total Restricted			<u>6,826,200</u>
Assigned to:			
Law enforcement	\$ 5,771		2,586,424
Highways and streets		\$ 2,660,111	
Public safety			76,520
Health			77,612
Recreation and culture			320
Health insurance premiums	1,086,022		
Total Assigned	<u>1,091,793</u>	<u>2,660,111</u>	<u>2,740,876</u>
Unassigned	<u>17,037,335</u>		
Totals	<u>\$ 18,129,128</u>	<u>\$ 2,660,111</u>	<u>\$ 9,567,076</u>

**NOTE 9: Commitments**

Total commitments consist of the following at December 31, 2015:

	December 31, 2015
Long-term liabilities	\$ 3,472,796
Reappraisal contract	<u>5,090,555</u>
Total Commitments	<u>\$ 8,563,351</u>

Long-term Liabilities

Long-term liabilities at December 31, 2015, are comprised of the following:

	December 31, 2015
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 and 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.	\$ 2,165,000
Lease-purchase agreement with Arvest Equipment Finance, dated December 1, 2011, for the purchase of 14 John Deere motor graders. Five annual payments of \$369,111 are payable beginning January 2, 2012, with an interest rate of 2.51%. Payments are to be made from the Road Fund.	360,073
Compensated Absences	<u>947,723</u>
Total Long-term liabilities	<u>\$ 3,472,796</u>

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



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 9: Commitments (Continued)**

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2015:

Years Ending December 31,	Bonds	Leases	Total
2016	\$ 353,206	\$ 369,111	\$ 722,317
2017	358,936		358,936
2018	357,637		357,637
2019	356,236		356,236
2020	354,330		354,330
2021 through 2022	592,980		592,980
Total Obligations	2,373,325	369,111	2,742,436
Less Interest	208,325	9,038	217,363
Total Principal	<u>\$2,165,000</u>	<u>\$ 360,073</u>	<u>\$ 2,525,073</u>

Reappraisal Contract

The County entered into a professional services contract for \$5,090,555 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 \$84,843. The County is obligated for the following amounts at December 31, 2015:

Year	Amount
2016	\$ 1,018,111
2017	1,018,111
2018	1,018,111
2019	1,018,111
2020	1,018,111
Total	<u>\$ 5,090,555</u>

Reappraisal expense for 2015 was \$1,073,120.

**NOTE 10: Interfund Transfers**

The General Fund transferred \$838,806 to Other Funds in the Aggregate (Northwest Arkansas Regional HIV Clinic and Jail Operations Sales Tax) to supplement operations. Other Funds in the Aggregate (Support Collections Cost and Drug Court Program) transferred \$34,212 to the General Fund for reimbursement of expenditures. Also, Other Funds in the Aggregate (County Recorder's Cost) transferred \$845,449 of excess funds to the General Fund.

**NOTE 11: Pledged Revenues**

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

The County has 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 the 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 for the refunding of Capital Improvement Revenue Bonds issued November 19, 2008. Total principal and interest remaining on the bonds is \$2,165,000 and \$208,325, respectively, payable through November 1, 2022. For the current year, principal of \$300,000 and interest of \$51,956 were paid.

The Capital Improvement Refunding Revenue Bond Fund (Historic Courthouse Project) received a total of \$460,172 from these revenue sources in 2015. Any revenues collected in excess of the debt service requirements may be used at the option of the County for administration of justice purposes.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 11: Pledged Revenues (Continued)**

Part of the future pledged revenues are juvenile fees that may not be eligible to be pledged due to the restrictions placed on such by Ark. Code Ann. § 16-13-326. No such revenues were collected during 2015.

**NOTE 12: Joint Venture**

Washington County Ambulance Authority

Washington County and the cities of Elkins, Fayetteville, Farmington, Goshen, Greenland, Lincoln, Prairie Grove, West Fork, Winslow, and Johnson entered into an agreement, on March 21, 2008, 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 \$561,000 per year through the end of 2016. Washington County paid the authority \$563,205 during 2015.

In August 2015, the Authority entered into an agreement with the cities of Elm Springs, Tontitown, and Johnson to provide emergency and non-emergency medical services beginning 2016. Terms of the agreements called for Washington County to contribute \$99,734 in 2015.

**NOTE 13: 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 \$19,071 to the Solid Waste District during 2015. 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 each of these counties. Washington County paid \$122,970 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.

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 14: Joint Operation**

Bomb Squad

Washington County and the City of Bentonville entered into an Interlocal agreement on February 12, 2010, regarding the Bomb Squad. This 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, 2015.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 15: 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 \$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 16: 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 December 31, 2015 were \$3,468,063.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 16: Arkansas Public Employees Retirement System (Continued)**

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2015 (actuarial valuation date and measurement date) was \$24,502,196.

**NOTE 17: Self-Insured Benefits**

The County provides 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, 2015, the balance in the Employee Self-Insurance account was \$1,086,022. 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, 2015

Schedule 1

	SPECIAL REVENUE FUNDS								
	County Public Library	Northwest Arkansas Regional HIV Clinic	Jail Operations Sales Tax	High Intensity Drug Trafficking Area (HIDTA) Grant	Boating Safety and Enforcement	Emergency 911	Communication Facility and Equipment	Juvenile Counsel Fee	Support Collections Costs
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,113,808	\$ 196,142	\$ 1,069,803		\$ 14,928	\$ 1,203,749	\$ 271,070	\$ 1,068	\$ 13,792
Accounts receivable	102,055	6	1,293,700	\$ 73,639	154	40,871	56,506	3	327
Interfund receivables									
<b>TOTAL ASSETS</b>	<b><u>\$ 1,215,863</u></b>	<b><u>\$ 196,148</u></b>	<b><u>\$ 2,363,503</u></b>	<b><u>\$ 73,639</u></b>	<b><u>\$ 15,082</u></b>	<b><u>\$ 1,244,620</u></b>	<b><u>\$ 327,576</u></b>	<b><u>\$ 1,071</u></b>	<b><u>\$ 14,119</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 861		\$ 102,885	\$ 73,639		\$ 16,814	\$ 1,770		
Interfund payables									\$ 13,792
Settlements pending									
<b>Total Liabilities</b>	<b><u>861</u></b>		<b><u>102,885</u></b>	<b><u>73,639</u></b>		<b><u>16,814</u></b>	<b><u>1,770</u></b>		<b><u>13,792</u></b>
<b>Fund Balances:</b>									
Restricted	1,215,002	\$ 118,536			\$ 15,082	1,227,806		\$ 1,071	327
Assigned		77,612	2,260,618			325,806			
<b>Total Fund Balances</b>	<b><u>1,215,002</u></b>	<b><u>196,148</u></b>	<b><u>2,260,618</u></b>		<b><u>15,082</u></b>	<b><u>1,227,806</u></b>	<b><u>325,806</u></b>	<b><u>1,071</u></b>	<b><u>327</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,215,863</u></b>	<b><u>\$ 196,148</u></b>	<b><u>\$ 2,363,503</u></b>	<b><u>\$ 73,639</u></b>	<b><u>\$ 15,082</u></b>	<b><u>\$ 1,244,620</u></b>	<b><u>\$ 327,576</u></b>	<b><u>\$ 1,071</u></b>	<b><u>\$ 14,119</u></b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2015

Schedule 1

SPECIAL REVENUE FUNDS

	County Recorder's Cost	Treasurer's Automation	Law Enforcement Grants	Drug Court Program	Rural Community Grant	County Clerk's Operation	Collector's Automation	County Clerk's Cost	Circuit Court Automation
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,000,000	\$ 5,255	\$ 96,832	\$ 97,361	\$ 52,030	\$ 32,514	\$ 44,568	\$ 902,020	\$ 203,899
Accounts receivable	143,883	34,000		5,573	2	382	370,021	9,557	2,999
Interfund receivables									
<b>TOTAL ASSETS</b>	<b><u>\$ 1,143,883</u></b>	<b><u>\$ 39,255</u></b>	<b><u>\$ 96,832</u></b>	<b><u>\$ 102,934</u></b>	<b><u>\$ 52,032</u></b>	<b><u>\$ 32,896</u></b>	<b><u>\$ 414,589</u></b>	<b><u>\$ 911,577</u></b>	<b><u>\$ 206,898</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 1,038	\$ 69	\$ 23		\$ 33		\$ 15,271	\$ 38	\$ 60,610
Interfund payables				\$ 20,420					
Settlements pending									
<b>Total Liabilities</b>	<b><u>1,038</u></b>	<b><u>69</u></b>	<b><u>23</u></b>	<b><u>20,420</u></b>	<b><u>33</u></b>		<b><u>15,271</u></b>	<b><u>38</u></b>	<b><u>60,610</u></b>
<b>Fund Balances:</b>									
Restricted	1,142,845	39,186	96,809	82,514	51,679	\$ 32,896	399,318	911,539	146,288
Assigned					320				
<b>Total Fund Balances</b>	<b><u>1,142,845</u></b>	<b><u>39,186</u></b>	<b><u>96,809</u></b>	<b><u>82,514</u></b>	<b><u>51,999</u></b>	<b><u>32,896</u></b>	<b><u>399,318</u></b>	<b><u>911,539</u></b>	<b><u>146,288</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,143,883</u></b>	<b><u>\$ 39,255</u></b>	<b><u>\$ 96,832</u></b>	<b><u>\$ 102,934</u></b>	<b><u>\$ 52,032</u></b>	<b><u>\$ 32,896</u></b>	<b><u>\$ 414,589</u></b>	<b><u>\$ 911,577</u></b>	<b><u>\$ 206,898</u></b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2015

Schedule 1

SPECIAL REVENUE FUNDS										
	Drug Enforcement- State	Drug Enforcement- Federal	Assessor's Amendment no. 79	Juvenile Detention Center Grant	Drug Court Grant	Circuit Court- Juvenile Division	Circuit Clerk Commissioner's Fee	Environmental Affairs Grant	Department of Emergency Management Grant	Animal Shelter Grant
ASSETS										
Cash and cash equivalents	\$ 26,868	\$ 77,554	\$ 51,083	\$ 60,448		\$ 46,169	\$ 27,209	\$ 99	\$ 103,367	\$ 6,000
Accounts receivable	518		19	1,375	\$ 4,333	36	425	397	880	
Interfund receivables				121						
<b>TOTAL ASSETS</b>	<b><u>\$ 27,386</u></b>	<b><u>\$ 77,554</u></b>	<b><u>\$ 51,102</u></b>	<b><u>\$ 61,944</u></b>	<b><u>\$ 4,333</u></b>	<b><u>\$ 46,205</u></b>	<b><u>\$ 27,634</u></b>	<b><u>\$ 496</u></b>	<b><u>\$ 104,247</u></b>	<b><u>\$ 6,000</u></b>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable			\$ 2,200				\$ 629	\$ 397		
Interfund payables										
Settlements pending										
Total Liabilities			<u>2,200</u>				<u>629</u>	<u>397</u>		
Fund Balances:										
Restricted	\$ 27,386	\$ 77,554	48,902	\$ 61,944	\$ 4,333	\$ 46,205	27,005	99	\$ 27,727	\$ 6,000
Assigned									76,520	
Total Fund Balances	<u>27,386</u>	<u>77,554</u>	<u>48,902</u>	<u>61,944</u>	<u>4,333</u>	<u>46,205</u>	<u>27,005</u>	<u>99</u>	<u>104,247</u>	<u>6,000</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 27,386</u></b>	<b><u>\$ 77,554</u></b>	<b><u>\$ 51,102</u></b>	<b><u>\$ 61,944</u></b>	<b><u>\$ 4,333</u></b>	<b><u>\$ 46,205</u></b>	<b><u>\$ 27,634</u></b>	<b><u>\$ 496</u></b>	<b><u>\$ 104,247</u></b>	<b><u>\$ 6,000</u></b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2015

Schedule 1

	DEBT SERVICE	AGENCY FUNDS						Totals	
	FUND	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Assessor's Account		County Judge's Accounts
<b>ASSETS</b>	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)								
Cash and cash equivalents	\$ 985,183	\$ 10,770,288	\$ 1,120,626	\$ 288,367	\$ 120,484	\$ 1,380,080	\$ 150	\$ 250	\$ 21,383,064
Accounts receivable	32,964								2,174,625
Interfund receivables									121
<b>TOTAL ASSETS</b>	<b>\$ 1,018,147</b>	<b>\$ 10,770,288</b>	<b>\$ 1,120,626</b>	<b>\$ 288,367</b>	<b>\$ 120,484</b>	<b>\$ 1,380,080</b>	<b>\$ 150</b>	<b>\$ 250</b>	<b>\$ 23,557,810</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable									\$ 276,277
Interfund payables									34,212
Settlements pending		\$ 10,770,288	\$ 1,120,626	\$ 288,367	\$ 120,484	\$ 1,380,080	\$ 150	\$ 250	13,680,245
Total Liabilities		<u>10,770,288</u>	<u>1,120,626</u>	<u>288,367</u>	<u>120,484</u>	<u>1,380,080</u>	<u>150</u>	<u>250</u>	<u>13,990,734</u>
Fund Balances:									
Restricted	\$ 1,018,147								6,826,200
Assigned									2,740,876
Total Fund Balances	<u>1,018,147</u>								<u>9,567,076</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,018,147</b>	<b>\$ 10,770,288</b>	<b>\$ 1,120,626</b>	<b>\$ 288,367</b>	<b>\$ 120,484</b>	<b>\$ 1,380,080</b>	<b>\$ 150</b>	<b>\$ 250</b>	<b>\$ 23,557,810</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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	County Public Library	Northwest Arkansas Regional HIV Clinic	Jail Operations Sales Tax	High Intensity Drug Trafficking Area (HIDTA) Grant	Boating Safety and Enforcement	Emergency 911	Communication Facility and Equipment	Juvenile Counsel Fee	Support Collections Costs
REVENUES									
State aid	\$ 387,157				\$ 9,724				
Federal aid				\$ 293,538					
Property taxes	1,755,130								
Sales taxes			\$ 9,004,881						
Fines, forfeitures, and costs			942,459						
Interest	1,901	\$ 371	1,557		25	\$ 2,472	\$ 561	\$ 2	\$ 27
Officers' fees							51,055	180	13,813
Jail telephone commissions							293,667		
Donations		192,200							
Jail fees			3,705,870						
911 fees						509,482			
Local grants									
Treasurer's commission									
Collector's commission									
Other	9,893	9,740	172,128		12	352	4,113		
<b>TOTAL REVENUES</b>	<b>2,154,081</b>	<b>202,311</b>	<b>13,826,895</b>	<b>293,538</b>	<b>9,761</b>	<b>512,306</b>	<b>349,396</b>	<b>182</b>	<b>13,840</b>
Less: Treasurer's commission	7,955	2	43,921		41	1,943	1,267	1	58
<b>NET REVENUES</b>	<b>2,146,126</b>	<b>202,309</b>	<b>13,782,974</b>	<b>293,538</b>	<b>9,720</b>	<b>510,363</b>	<b>348,129</b>	<b>181</b>	<b>13,782</b>
EXPENDITURES									
Current:									
General government									
Law enforcement			13,690,427	293,538			302,983		
Public safety					2,866	417,680			
Health		165,474							
Recreation and culture	2,015,164								
Economic development									
Total Current	2,015,164	165,474	13,690,427	293,538	2,866	417,680	302,983		
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>2,015,164</b>	<b>165,474</b>	<b>13,690,427</b>	<b>293,538</b>	<b>2,866</b>	<b>417,680</b>	<b>302,983</b>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>130,962</b>	<b>36,835</b>	<b>92,547</b>		<b>6,854</b>	<b>92,683</b>	<b>45,146</b>	<b>181</b>	<b>13,782</b>
OTHER FINANCING SOURCES (USES)									
Transfers in		38,806	800,000						
Transfers out									(13,792)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>38,806</b>	<b>800,000</b>						<b>(13,792)</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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	County Public Library	Northwest Arkansas Regional HIV Clinic	Jail Operations Sales Tax	High Intensity Drug Trafficking Area (HIDTA) Grant	Boating Safety and Enforcement	Emergency 911	Communication Facility and Equipment	Juvenile Counsel Fee	Support Collections Costs
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 130,962	\$ 75,641	\$ 892,547		\$ 6,854	\$ 92,683	\$ 45,146	\$ 181	\$ (10)
FUND BALANCES - JANUARY 1	1,084,040	120,507	1,368,071		8,228	1,135,123	280,660	890	337
FUND BALANCES - DECEMBER 31	<u>\$ 1,215,002</u>	<u>\$ 196,148</u>	<u>\$ 2,260,618</u>	<u>\$ 0</u>	<u>\$ 15,082</u>	<u>\$ 1,227,806</u>	<u>\$ 325,806</u>	<u>\$ 1,071</u>	<u>\$ 327</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, 2015

Schedule 2

SPECIAL REVENUE FUNDS									
	County Recorder's Cost	Treasurer's Automation	Law Enforcement Grants	Drug Court Program	Rural Community Grant	County Clerk's Operation	Collector's Automation	County Clerk's Cost	Circuit Court Automation
REVENUES									
State aid			\$ 16,520						
Federal aid			80,380						
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 2,350	\$ 27		\$ 171	\$ 90	\$ 72	\$ 157	\$ 1,896	\$ 427
Officers' fees	1,417,727			48,837		4,532		119,709	27,289
Jail telephone commissions									
Donations									
Jail fees									
911 fees									
Local grants									
Treasurer's commission		45,752							
Collector's commission							370,016		
Other	60	243	1,500				11		
<b>TOTAL REVENUES</b>	<b>1,420,137</b>	<b>46,022</b>	<b>98,400</b>	<b>49,008</b>	<b>90</b>	<b>4,604</b>	<b>370,184</b>	<b>121,605</b>	<b>27,716</b>
Less: Treasurer's commission	5,968			236	1	19		514	123
<b>NET REVENUES</b>	<b>1,414,169</b>	<b>46,022</b>	<b>98,400</b>	<b>48,772</b>	<b>89</b>	<b>4,585</b>	<b>370,184</b>	<b>121,091</b>	<b>27,593</b>
EXPENDITURES									
Current:									
General government	545,269	18,436				4,833	80,884	47,833	
Law enforcement			67,438						67,763
Public safety									
Health									
Recreation and culture					20,101				
Economic development									
Total Current	545,269	18,436	67,438		20,101	4,833	80,884	47,833	67,763
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>545,269</b>	<b>18,436</b>	<b>67,438</b>		<b>20,101</b>	<b>4,833</b>	<b>80,884</b>	<b>47,833</b>	<b>67,763</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>868,900</b>	<b>27,586</b>	<b>30,962</b>	<b>48,772</b>	<b>(20,012)</b>	<b>(248)</b>	<b>289,300</b>	<b>73,258</b>	<b>(40,170)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out	(845,449)			(20,420)					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(845,449)</b>			<b>(20,420)</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, 2015

Schedule 2

SPECIAL REVENUE FUNDS									
	County Recorder's Cost	Treasurer's Automation	Law Enforcement Grants	Drug Court Program	Rural Community Grant	County Clerk's Operation	Collector's Automation	County Clerk's Cost	Circuit Court Automation
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 23,451	\$ 27,586	\$ 30,962	\$ 28,352	\$ (20,012)	\$ (248)	\$ 289,300	\$ 73,258	\$ (40,170)
FUND BALANCES - JANUARY 1	1,119,394	11,600	65,847	54,162	72,011	33,144	110,018	838,281	186,458
FUND BALANCES - DECEMBER 31	<u>\$ 1,142,845</u>	<u>\$ 39,186</u>	<u>\$ 96,809</u>	<u>\$ 82,514</u>	<u>\$ 51,999</u>	<u>\$ 32,896</u>	<u>\$ 399,318</u>	<u>\$ 911,539</u>	<u>\$ 146,288</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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Drug Enforcement- State	Drug Enforcement- Federal	Assessor's Amendment no. 79	Juvenile Detention Center Grant	Drug Court Grant	Tyson's Project	Circuit Court- Juvenile Division	Circuit Clerk Commissioner's Fee	Environmental Affairs Grant
REVENUES									
State aid			\$ 22,309	\$ 57,542	\$ 1,667				
Federal aid					290,616	\$ 8,989			
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 12,348	\$ 34,310							
Interest	53	197	122				\$ 100	\$ 58	
Officers' fees							1,945	12,587	
Jail telephone commissions									
Donations									
Jail fees									
911 fees									
Local grants									\$ 10,880
Treasurer's commission									
Collector's commission									
Other			20	1,950	567				
<b>TOTAL REVENUES</b>	<b>12,401</b>	<b>34,507</b>	<b>22,451</b>	<b>59,492</b>	<b>292,850</b>	<b>8,989</b>	<b>2,045</b>	<b>12,645</b>	<b>10,880</b>
Less: Treasurer's commission	51						10	50	
<b>NET REVENUES</b>	<b>12,350</b>	<b>34,507</b>	<b>22,451</b>	<b>59,492</b>	<b>292,850</b>	<b>8,989</b>	<b>2,035</b>	<b>12,595</b>	<b>10,880</b>
EXPENDITURES									
Current:									
General government			15,811					5,916	
Law enforcement	3,756	36,808		33,665	309,901				
Public safety									10,842
Health									
Recreation and culture									
Economic development						8,989			
Total Current	3,756	36,808	15,811	33,665	309,901	8,989		5,916	10,842
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>3,756</b>	<b>36,808</b>	<b>15,811</b>	<b>33,665</b>	<b>309,901</b>	<b>8,989</b>		<b>5,916</b>	<b>10,842</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,594</b>	<b>(2,301)</b>	<b>6,640</b>	<b>25,827</b>	<b>(17,051)</b>		<b>2,035</b>	<b>6,679</b>	<b>38</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Drug Enforcement- State	Drug Enforcement- Federal	Assessor's Amendment no. 79	Juvenile Detention Center Grant	Drug Court Grant	Tyson's Project	Circuit Court- Juvenile Division	Circuit Clerk Commissioner's Fee	Environmental Affairs Grant
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 8,594	\$ (2,301)	\$ 6,640	\$ 25,827	\$ (17,051)		\$ 2,035	\$ 6,679	\$ 38
FUND BALANCES - JANUARY 1	18,792	79,855	42,262	36,117	21,384		44,170	20,326	61
FUND BALANCES - DECEMBER 31	<u>\$ 27,386</u>	<u>\$ 77,554</u>	<u>\$ 48,902</u>	<u>\$ 61,944</u>	<u>\$ 4,333</u>	<u>\$ 0</u>	<u>\$ 46,205</u>	<u>\$ 27,005</u>	<u>\$ 99</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, 2015

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUND</u>	<u>Totals</u>
	Department of Emergency Management Grant	Animal Shelter Grant	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	
REVENUES				
State aid	\$ 21,500	\$ 6,000		\$ 522,419
Federal aid	312,320			985,843
Property taxes				1,755,130
Sales taxes				9,004,881
Fines, forfeitures, and costs			\$ 460,172	1,449,289
Interest			1,553	14,189
Officers' fees				1,697,674
Jail telephone commissions				293,667
Donations				192,200
Jail fees				3,705,870
911 fees				509,482
Local grants		550		11,430
Treasurer's commission				45,752
Collector's commission				370,016
Other	37,520			238,109
<b>TOTAL REVENUES</b>	<b>371,340</b>	<b>6,550</b>	<b>461,725</b>	<b>20,795,951</b>
Less: Treasurer's commission			2,137	64,297
<b>NET REVENUES</b>	<b>371,340</b>	<b>6,550</b>	<b>459,588</b>	<b>20,731,654</b>
EXPENDITURES				
Current:				
General government				718,982
Law enforcement				14,806,279
Public safety	385,170			816,558
Health		24,523		189,997
Recreation and culture				2,035,265
Economic development				8,989
Total Current	385,170	24,523		18,576,070
Debt Service:				
Bond principal			300,000	300,000
Bond interest and other charges			54,536	54,536
<b>TOTAL EXPENDITURES</b>	<b>385,170</b>	<b>24,523</b>	<b>354,536</b>	<b>18,930,606</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,830)</b>	<b>(17,973)</b>	<b>105,052</b>	<b>1,801,048</b>
OTHER FINANCING SOURCES (USES)				
Transfers in				838,806
Transfers out				(879,661)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				<b>(40,855)</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, 2015

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUND</u>	<u>Totals</u>
	<u>Department of Emergency Management Grant</u>	<u>Animal Shelter Grant</u>	<u>Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (13,830)	\$ (17,973)	\$ 105,052	\$ 1,760,193
FUND BALANCES - JANUARY 1	<u>118,077</u>	<u>23,973</u>	<u>913,095</u>	<u>7,806,883</u>
FUND BALANCES - DECEMBER 31	<u>\$ 104,247</u>	<u>\$ 6,000</u>	<u>\$ 1,018,147</u>	<u>\$ 9,567,076</u>



WASHINGTON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2015

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

Fund Name	Fund Description
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.
Northwest Arkansas Regional HIV Clinic	Originally established to account for state and local grants. Now supported by health insurance proceeds and local contributions.
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.
High Intensity Drug Trafficking Area (HIDTA) Grant	Established to account for federal aid received for High Intensity Drug Trafficking Area.
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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
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.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
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.
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.
Law Enforcement Grants	Established to account for federal and state grants and work release fees.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2015

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

Fund Name	Fund Description
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.
Rural Community Grant	Established to account for state grants and county and local matching grants.
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.
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.
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.
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.
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.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Arkansas Constitution, Amendment no. 79.
Juvenile Detention Center Grant	Established to account for state and federal grants received for operation of the Juvenile Detention Center.
Drug Court Grant	Established to account for federal grants received for operation of the drug court of Washington County.
Tyson's Project	Established to account for proceeds of Arkansas Community and Economic Development Program (ACEDP) Grant, the proceeds of which are to be used for economic development.

WASHINGTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2015

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

Fund Name	Fund Description
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.
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.
Environmental Affairs Grant	Washington County Ordinance no. 2013-03 (February 25, 2013) established to account for Boston Mountain Solid Waste District grant.
Department of Emergency Management Grant	Established to account for federal grants received for the Department of Emergency Management.
Animal Shelter Grant	Established to account for local grant proceeds received from PetSmart Charities to be used for promoting adoptions from the animal shelter.
Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	Washington County Ordinance no. 2012-69 (November 15, 2012) authorized the 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.

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 and bond money.

County Clerk's accounts consist primarily of fee money to be settled with treasurer and trust monies awaiting disposition by the applicable court.

Circuit Clerk's accounts consist of trust money awaiting disposition by the applicable courts and settlements due to treasurer.

Assessor's account consists of a change fund.

County Judge's accounts consist of change funds for multiple departments.

WASHINGTON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2015  
(Unaudited)

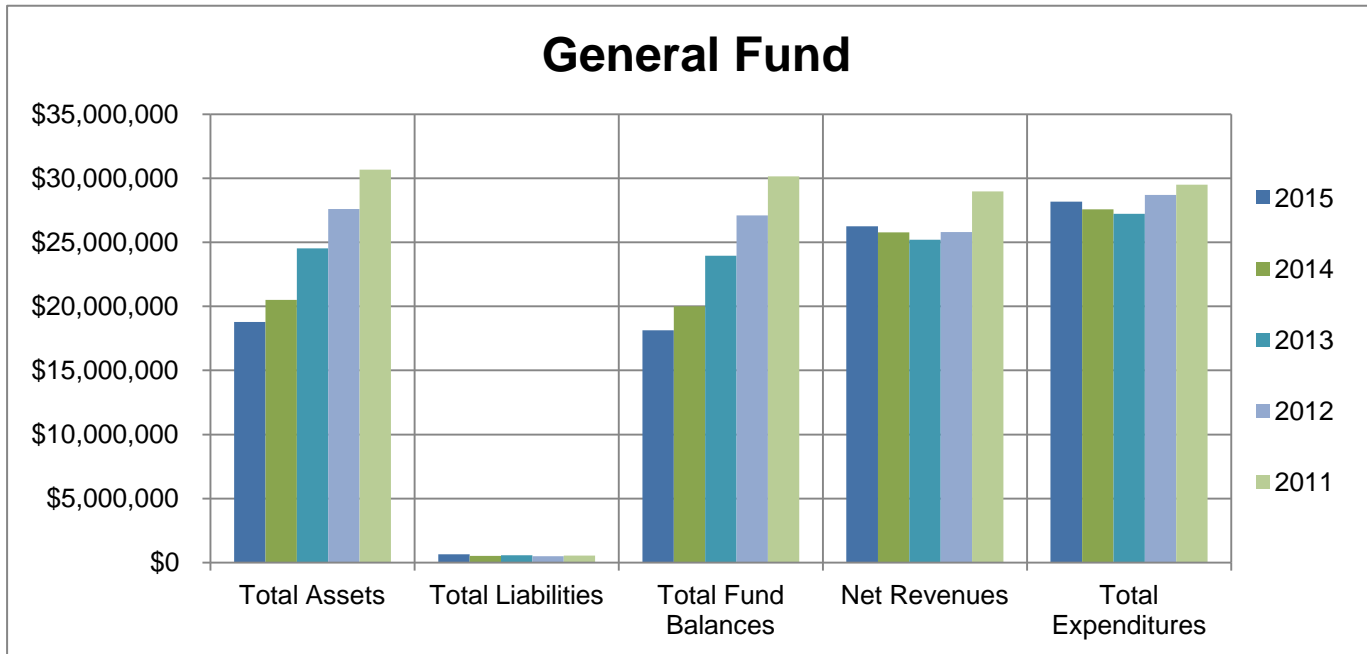
Schedule 3

	<u>December 31, 2015</u>
Land	\$ 3,504,390
Buildings and improvements	68,734,907
Equipment	<u>25,476,701</u>
Total	<u>\$ 97,715,998</u>

WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2015  
 (Unaudited)

Schedule 4-1

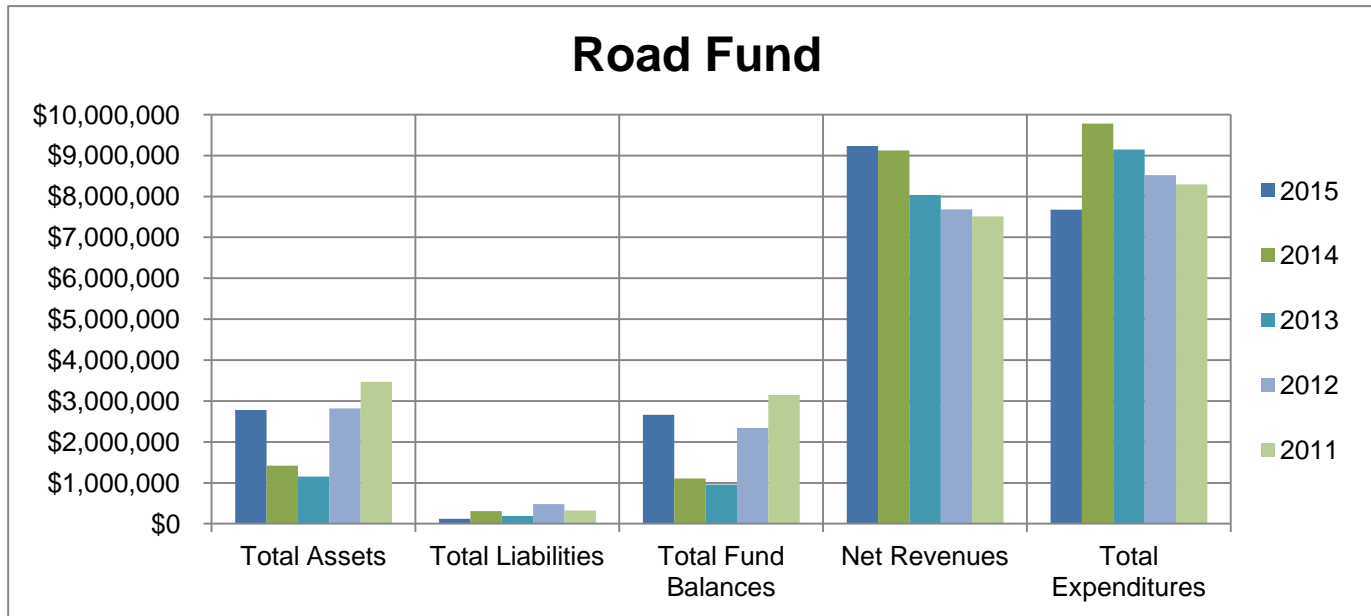
<b>General</b>	2015	2014	2013	2012	2011
Total Assets	\$ 18,784,538	\$ 20,511,140	\$ 24,537,997	\$ 27,606,613	\$ 30,682,532
Total Liabilities	655,410	512,644	574,110	495,058	538,360
Total Fund Balances	18,129,128	19,998,496	23,963,887	27,111,555	30,144,172
Net Revenues	26,257,791	25,785,322	25,202,706	25,802,316	28,984,619
Total Expenditures	28,168,014	27,585,012	27,240,361	28,700,289	29,500,770
Total Other Financing Sources/Uses	40,855	(2,165,701)	(902,039)	(134,644)	546,580



WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2015  
 (Unaudited)

Schedule 4-2

<u>Road</u>	2015	2014	2013	2012	2011
Total Assets	\$ 2,776,491	\$ 1,415,360	\$ 1,152,839	\$ 2,819,716	\$ 3,471,792
Total Liabilities	116,380	309,568	193,360	481,706	327,278
Total Fund Balances	2,660,111	1,105,792	959,479	2,338,010	3,144,514
Net Revenues	9,231,922	9,122,965	8,037,223	7,684,439	7,513,691
Total Expenditures	7,677,603	9,776,652	9,149,756	8,521,955	8,294,008
Total Other Financing Sources/Uses		800,000		31,012	558,576



WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2015  
 (Unaudited)

Schedule 4-3

<b><u>Other Funds in the Aggregate</u></b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Total Assets	\$ 23,557,810	\$ 20,598,634	\$ 19,796,942	\$ 23,240,115	\$ 20,604,107
Total Liabilities	13,990,734	12,791,751	11,815,123	15,901,647	13,108,748
Total Fund Balances	9,567,076	7,806,883	7,981,819	7,338,468	7,495,359
Net Revenues	20,731,654	19,336,294	20,627,849	19,277,768	17,761,325
Total Expenditures	18,930,606	20,054,805	20,596,091	19,538,291	18,791,554
Total Other Financing Sources/Uses	(40,855)	543,575	611,593	103,632	(1,105,156)

