

Washington County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



WASHINGTON COUNTY, ARKANSAS
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Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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, 2019, 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, 2019, 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, 2019, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in 2019, the County adopted new revenue recognition policies mandated by Ark. Code Ann. § 14-71-101. The law requires sales taxes be recognized in the year received by the County. Our opinions are not modified with respect to this matter.

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 December 16, 2020, 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
December 16, 2020
LOCO07219

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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 AND ON COMPLIANCE AND OTHER MATTERS 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, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2020. 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*.

We also reported to management of the County in a separate letter dated December 16, 2020.

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

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 16, 2020

Arkansas



Sen. Ronald Caldwell
Senate Chair
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2019:

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

No issues came to our attention that we considered necessary of reporting to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Marti Steel".

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 16, 2020

WASHINGTON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2019

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 15,181,682	\$ 2,020,921	\$ 26,780,378
Accounts receivable	4,591,436	337,603	1,749,466
Interfund receivables	130,141	4,029	
TOTAL ASSETS	\$ 19,903,259	\$ 2,362,553	\$ 28,529,844
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 573,864	\$ 244,403	\$ 593,377
Interfund payables	4,029	70,524	59,617
Settlements pending			15,278,792
Total Liabilities	577,893	314,927	15,931,786
Fund Balances:			
Restricted	1,057,623		10,550,997
Assigned	1,658,220	2,047,626	2,047,061
Unassigned	16,609,523		
Total Fund Balances	19,325,366	2,047,626	12,598,058
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,903,259	\$ 2,362,553	\$ 28,529,844

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, 2019

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 2,396,612	\$ 5,320,456	\$ 1,311,412
Federal aid	76,895	68,807	1,979,692
Property taxes	16,598,818	1,386,666	2,026,848
Sales taxes	4,380,905	2,920,604	9,924,237
Fines, forfeitures, and costs	453,343		1,039,037
Interest	231,165	32,971	144,242
Officers' fees	755,258		1,860,107
Recycling grant			2,415
Franchise fees	178,341		
Landfill fees		597,248	
Jail fees	18,216		4,621,133
Jail telephone commission			239,217
911 fees			479,676
Rent			38,940
Insurance premiums collected	1,329,041		
Reimbursement from Benton County for HIV clinic salaries			112,500
Donations			43,458
Treasurer's commission	300,428		95,000
Collector's commission	1,121,051		300,000
Taxes apportioned - Assessor's salary and expense	2,258,940		
Other	1,444,721	293,333	283,462
TOTAL REVENUES	31,543,734	10,620,085	24,501,376
Less: Treasurer's commission	102,311	44,861	72,907
NET REVENUES	31,441,423	10,575,224	24,428,469
EXPENDITURES			
Current:			
General government	13,856,706		6,129,014
Law enforcement	14,200,243		17,815,805
Highways and streets		12,983,965	3,114
Public safety	1,142,839		1,102,005
Sanitation	385,190		4,390
Health	1,631,731		779,857
Recreation and culture			2,431,273
Social services	362,961		
Total Current	31,579,670	12,983,965	28,265,458
Debt Service:			
Bond principal			325,000
Bond interest and other charges			33,986
TOTAL EXPENDITURES	31,579,670	12,983,965	28,624,444

WASHINGTON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (138,247)</u>	<u>\$ (2,408,741)</u>	<u>\$ (4,195,975)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	923,389	1,017,459	88,806
Transfers out	(88,806)		(1,940,848)
Proceeds from Energy Equipment Lease			8,005,529
TOTAL OTHER FINANCING SOURCES (USES)	<u>834,583</u>	<u>1,017,459</u>	<u>6,153,487</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	696,336	(1,391,282)	1,957,512
FUND BALANCES - JANUARY 1	<u>18,629,030</u>	<u>3,438,908</u>	<u>10,640,546</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 19,325,366</u></u>	<u><u>\$ 2,047,626</u></u>	<u><u>\$ 12,598,058</u></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, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 2,217,820	\$ 2,396,612	\$ 178,792	\$ 5,308,030	\$ 5,320,456	\$ 12,426
Federal aid	80,000	76,895	(3,105)	70,897	68,807	(2,090)
Property taxes	16,072,950	16,598,818	525,868	1,416,450	1,386,666	(29,784)
Sales taxes	4,666,500	4,380,905	(285,595)	3,111,000	2,920,604	(190,396)
Fines, forfeitures, and costs	478,570	453,343	(25,227)			
Interest	161,720	231,165	69,445	38,000	32,971	(5,029)
Officers' fees	756,000	755,258	(742)			
Franchise fees	225,000	178,341	(46,659)			
Landfill fees				525,000	597,248	72,248
Jail fees		18,216	18,216			
Insurance premiums collected	4,800,000	1,329,041	(3,470,959)			
Treasurer's commission		300,428	300,428			
Collector's commission		1,121,051	1,121,051			
Taxes apportioned - Assessor's salary and expense		2,258,940	2,258,940			
Other	1,454,767	1,444,721	(10,046)	284,250	293,333	9,083
TOTAL REVENUES	30,913,327	31,543,734	630,407	10,753,627	10,620,085	(133,542)
Less: Treasurer's commission	432,904	102,311	330,593	(200,000)	44,861	(244,861)
NET REVENUES	30,480,423	31,441,423	961,000	10,953,627	10,575,224	(378,403)
EXPENDITURES						
Current:						
General government	13,109,228	13,856,706	(747,478)			
Law enforcement	15,061,314	14,200,243	861,071			
Highways and streets				13,077,459	12,983,965	93,494
Public safety	1,233,187	1,142,839	90,348			
Sanitation	414,594	385,190	29,404			
Health	6,958,808	1,631,731	5,327,077			
Social services	370,138	362,961	7,177			
TOTAL EXPENDITURES	37,147,269	31,579,670	5,567,599	13,077,459	12,983,965	93,494

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, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (6,666,846)	\$ (138,247)	\$ 6,528,599	\$ (2,123,832)	\$ (2,408,741)	\$ (284,909)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,396,619	923,389	(3,473,230)	1,010,676	1,017,459	6,783
Transfers out	(581,229)	(88,806)	492,423			
TOTAL OTHER FINANCING SOURCES (USES)	3,815,390	834,583	(2,980,807)	1,010,676	1,017,459	6,783
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,851,456)	696,336	3,547,792	(1,113,156)	(1,391,282)	(278,126)
FUND BALANCES - JANUARY 1	13,796,094	18,629,030	4,832,936	2,933,111	3,438,908	505,797
FUND BALANCES - DECEMBER 31	<u>\$ 10,944,638</u>	<u>\$ 19,325,366</u>	<u>\$ 8,380,728</u>	<u>\$ 1,819,955</u>	<u>\$ 2,047,626</u>	<u>\$ 227,671</u>

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

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

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.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

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, 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.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for the Capital Projects Fund 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.

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

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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, as well as county sales taxes, 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. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. 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.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

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.

WASHINGTON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

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:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 4,127,398	\$ 4,152,060
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	39,850,673	39,948,032
Total Deposits	\$ 43,978,071	\$ 44,100,092

The above total deposits do not include cash on hand of \$4,910.

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.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2019, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 10,500
Federal aid	\$ 10,959		212,482
Property taxes	152,134	\$ 8,478	12,809
Fines, forfeitures, and costs	65,708		115,628
Interest	19,299	3,560	10,787
Officers' fees	28,528		165,255
Franchise fees	42,980		
Jail fees	18,216		484,412
Jail telephone commission			17,806
911 fees			30,192
Rent		156,055	
Treasurer's commission	300,428		95,000
Collector's commission	1,121,051		300,000
Taxes apportioned - Assessor's salary and expense	2,258,940		
Other	188,489	822	20,449
Treasurer's commission charged	384,704	168,688	274,146
Totals	<u>\$ 4,591,436</u>	<u>\$ 337,603</u>	<u>\$ 1,749,466</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2019, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 573,864</u>	<u>\$ 244,403</u>	<u>\$ 593,377</u>

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2019	
	Interfund Receivables	Interfund Payables
General Fund	\$ 130,141	\$ 4,029
Road Fund	4,029	70,524
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation		2,122
Collector's Automation		6,454
Child Support Collections Costs		11,920
Adult Drug Court Program		36,216
High Intensity Drug Trafficking Area (HIDTA) Grant		2,905
	\$ 134,170	\$ 134,170
Totals	\$ 134,170	\$ 134,170

Interfund receivables and payables consist of interfund loans. These balances were repaid by March 31, 2020.

NOTE 7: Federal Funds Program Compliance

As of report date, Washington County's federal grants were in the process of being audited in accordance with federal program requirements, therefore, any instances of noncompliance with federal grant requirements had not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2019, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 3,128,413
Law enforcement			961,309
Public safety			771,071
Health			54,824
Recreation and culture			1,462,474
Health insurance premiums	\$ 1,057,623		
Capital outlay			3,022,267
Debt service			1,150,639
Total Restricted	<u>1,057,623</u>		<u>10,550,997</u>
Assigned to:			
Law enforcement	5,771		1,781,866
Highways and streets		\$ 2,047,626	
Public safety			117,739
Health			142,619
Recreation and culture			4,837
Health insurance premium	1,652,449		
Total Assigned	<u>1,658,220</u>	<u>2,047,626</u>	<u>2,047,061</u>
Unassigned	<u>16,609,523</u>		
Totals	<u>\$ 19,325,366</u>	<u>\$ 2,047,626</u>	<u>\$ 12,598,058</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, 2019, the legal debt limit for bonded debt was \$370,272,246. 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, 2019, the legal debt limit for short-term financing obligations was \$97,703,192. There were no short-term financing obligations.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2019:

	December 31, 2019
Long-term liabilities	\$ 10,061,623
Reappraisal contract	998,111
Construction contract	3,001,974
 Total Commitments	 \$ 14,061,708

Long-term Liabilities

Long-term liabilities at December 31, 2019, are comprised of the following:

	December 31, 2019
<u>Bonds</u>	
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, due in installment of \$220,000 to \$340,000 plus interest. Interest rates of 0.7 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.	\$ 900,000
<u>Direct Borrowings</u>	
On June 28, 2019, Washington County entered into an equipment lease purchase agreement in the amount of \$8,005,529, due in installments of \$470,000 to \$634,749 including interest, with Sterling National Bank for the purchase of energy saving improvements. Terms are set forth in the performance contract dated April 23, 2019, between Washington County and Johnson Controls, Inc. at a 3.17% interest rate and due in annual installments over 20 years. Payments will be made from annually budgeted and legally available funds but do not constitute pledge of specific revenue.	8,005,529
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	1,156,094
 Total Long-term liabilities	 \$ 10,061,623

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

The County's outstanding bonds payable of \$900,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The County's outstanding equipment lease from direct borrowings of \$8,005,529 contains a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the leased equipment, available to it under applicable law.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10: 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.

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2019</u>	<u>Maturities to December 31, 2019</u>
<u>Bonds</u>					
1/16/13	11/1/22	0.7 - 3%	\$ 2,990,000	\$ 900,000	\$ 2,090,000
<u>Total Direct Borrowings</u>					
6/28/19	4/1/39	3.17%	8,005,529	8,005,529	
Total Long-Term Debt			<u>\$ 10,995,529</u>	<u>\$ 8,905,529</u>	<u>\$ 2,090,000</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2019</u>
Bonds payable	\$ 1,225,000		\$ 325,000	\$ 900,000
<u>Direct Borrowings</u>				
Equipment lease purchase		\$ 8,005,529		8,005,529
Total Long-Term Debt	<u>\$ 1,225,000</u>	<u>\$ 8,005,529</u>	<u>\$ 325,000</u>	<u>\$ 8,905,529</u>

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2019:

<u>Years Ending December 31,</u>	<u>Bonds</u>			<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 330,000	\$ 24,330	\$ 354,330	\$ 276,714	\$ 193,286	\$ 470,000
2021	340,000	16,080	356,080	214,997	245,003	460,000
2022	230,000	6,900	236,900	231,812	238,188	470,000
2023				249,160	230,840	480,000
2024				277,059	222,941	500,000
2025 through 2029				1,752,318	967,682	2,720,000
2030 through 2034				2,194,371	660,629	2,855,000
2035 through 2039				2,809,098	275,651	3,084,749
Totals	<u>\$ 900,000</u>	<u>\$ 47,310</u>	<u>\$ 947,310</u>	<u>\$ 8,005,529</u>	<u>\$ 3,034,220</u>	<u>\$ 11,039,749</u>

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10: Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology on October 22, 2015, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$83,176 for a total of \$4,990,555 beginning January 1, 2016. Contract expense for 2019 was \$998,111.

The County is obligated for the following amounts at December 31, 2019:

Year	December 31, 2019
2020	\$ <u>998,111</u>

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2019:

Project Name	Estimated Completion Date	Contract Balance December 31, 2019
Johnson Controls, Inc. performance contract for energy saving improvements	January 15, 2021	\$ <u>3,001,974</u>

NOTE 11: Interfund Transfers

The General Fund transferred \$88,806 to the Other Funds in the Aggregate (HIV Clinic \$38,806 and Jail Maintenance \$50,000) for HIV 2018 expenses and to supplement Jail Maintenance. Other Funds in the Aggregate (FEMA \$804,959 and Rural Community Grant \$212,500) transferred \$1,017,459 of excess funds to the Road Fund. Additionally, Other Funds in the Aggregate (County Recorder's Cost) transferred \$923,389 of excess funds to the General Fund.

NOTE 12: Change in Accounting Policy

Ark. Code Ann. § 14-71-101 went into effect for the year ended December 31, 2019, and requires sales taxes be recognized in the year received by the County. For 2019, the County will only recognize 11 months of sales taxes instead of 12 months.

NOTE 13: Subsequent Events

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the County is uncertain. On November 25, 2020, the County received \$4,549,531 in federal aid from the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. On December 2, 2020, the County received \$250,000 in federal aid from the Coronavirus Aid, Relief, and Economic Securities (CARES) Act from the Department of Human Services for the Crisis Stabilization Unit for Arkansas veteran services during the COVID19 pandemic. On September 3, 2020, the County received \$38,072 in federal aid from the Coronavirus Aid, Relief, and Economic Securities (CARES) Act from the Department of Justice for the drug court.

The County called for a special election on March 3, 2020, in which voters approved the levy of a county-wide one-fourth of one percent (.25%) sales and use tax within Washington County for the 12 months period of July 1, 2020 to June 30, 2021, to acquire, construct, improve, expand, equip and maintain public safety communication system facilities and apparatus.

The Washington County, Arkansas Capital Improvement Refunding Revenue Bonds (Historic Courthouse Project) Series 2013 was called early on October 1, 2020, for principal due of \$900,000 and interest due of \$10,138. \$503,539 was disbursed from the Capital Improvement Refunding Revenue Bond (Historic Courthouse Project) and \$407,499 was disbursed from General Fund.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 14: Pledged Revenues

Fines and Court Costs 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 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 refunding of Capital Improvement Revenue Bonds issued November 19, 2008. Total principal and interest remaining on the bonds are \$900,000 and \$47,310, respectively, payable through November 1, 2022. For 2019, principal and interest paid were \$325,000 and \$31,236, respectively.

The Capital Improvement Refunding Revenue Bond Fund (Historic Courthouse Project) received \$337,302 from these revenue sources in 2019. Any revenue collected in excess of debt service requirements may be used at the option of the County for administration of justice purposes.

NOTE 15: Joint Venture:

Washington County Regional 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 \$921,174 during 2019.

NOTE 16: 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 (the District). In 2018, Washington County transferred the operation of the Washington County Hazardous Waste Program and the Rural Recycling Program to the District. Washington County paid \$227,144 to the Solid Waste District during 2019. Separate financial statements of the Boston Mountain Solid Waste District may be obtained at 11398 Bond Road, 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. In 2019, Washington County paid \$23,060 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.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 17: 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, 2019.

Northwest Arkansas HIV Clinic

The County entered into an Interlocal Agreement with Benton County on February 25, 2011, for support of an HIV health clinic located in Washington County to address the needs of persons diagnosed with HIV infection. Benton County contributed \$115,050 to Washington County in 2019. Financial activity of the Northwest Arkansas HIV Clinic are included in the financial statements of Washington County.

NOTE 18: 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.

WASHINGTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 19: 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.

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, 2019 (date of APERS Employer Allocation Report) were \$4,087,537.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$33,636,786.

NOTE 20: 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, 2019, the balance in the Employee Self Insured account was \$2,710,072. 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, 2019

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	Child Support Collections Costs
ASSETS									
Cash and cash equivalents	\$ 202,543	\$ 552,160	\$ 164,744	\$ 136,133	\$ 625,967	\$ 1,000,000	\$ 1,417,656	\$ 39,845	\$ 11,920
Accounts receivable	95,222	300,835	2,690	150	11,505	173,425	48,142	437	204
TOTAL ASSETS	\$ 297,765	\$ 852,995	\$ 167,434	\$ 136,283	\$ 637,472	\$ 1,173,425	\$ 1,465,798	\$ 40,282	\$ 12,124
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 9,603	\$ 3,177	\$ 362	\$ 874	\$ 197	\$ 3,324		
Interfund payables	\$ 2,122	6,454							\$ 11,920
Settlements pending									
Total Liabilities	2,122	16,057	3,177	362	874	197	3,324		11,920
Fund Balances:									
Restricted	295,643	836,938	164,257	135,921	636,598	1,173,228	1,462,474	\$ 40,282	204
Assigned									
Total Fund Balances	295,643	836,938	164,257	135,921	636,598	1,173,228	1,462,474	40,282	204
TOTAL LIABILITIES AND FUND BALANCES	\$ 297,765	\$ 852,995	\$ 167,434	\$ 136,283	\$ 637,472	\$ 1,173,425	\$ 1,465,798	\$ 40,282	\$ 12,124

WASHINGTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2019

Schedule 1

SPECIAL REVENUE FUNDS

	Communication Facility and Equipment	Jail Operations Sales Tax	Boating Safety and Enforcement	Emergency 911	Adult Drug Court Program	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee
ASSETS									
Cash and cash equivalents	\$ 270,272	\$ 1,167,004	\$ 19,491	\$ 753,753	\$ 36,216	\$ 7,433	\$ 3,108	\$ 13,352	\$ 8,953
Accounts receivable	26,318	777,313	166	36,721	2,844	712	101	727	646
TOTAL ASSETS	\$ 296,590	\$ 1,944,317	\$ 19,657	\$ 790,474	\$ 39,060	\$ 8,145	\$ 3,209	\$ 14,079	\$ 9,599
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 80,492	\$ 378,549		\$ 19,403		\$ 306		\$ 268	
Interfund payables					\$ 36,216				
Settlements pending									
Total Liabilities	80,492	378,549		19,403	36,216	306		268	
Fund Balances:									
Restricted			\$ 19,657	771,071	2,844	7,839	\$ 3,209	13,811	\$ 9,599
Assigned	216,098	1,565,768							
Total Fund Balances	216,098	1,565,768	19,657	771,071	2,844	7,839	3,209	13,811	9,599
TOTAL LIABILITIES AND FUND BALANCES	\$ 296,590	\$ 1,944,317	\$ 19,657	\$ 790,474	\$ 39,060	\$ 8,145	\$ 3,209	\$ 14,079	\$ 9,599

WASHINGTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2019

Schedule 1

SPECIAL REVENUE FUNDS

	Crisis Stabilization Unit (non grant)	Northwest Arkansas Regional HIV Clinic	County Law Library	Drug Enforcement- State	Drug Enforcement- Federal	Drug Court Program	High Intensity Drug Trafficking Area (HIDTA) Grant	Rural Community Grant	Juvenile Detention Center Grant
ASSETS									
Cash and cash equivalents	\$ 1,687	\$ 140,727	\$ 373,733	\$ 25,888	\$ 30,340	\$ 197,680		\$ 5,026	\$ 28,361
Accounts receivable	2	203	11,118	1,049	33	722	\$ 54,405		500
TOTAL ASSETS	\$ 1,689	\$ 140,930	\$ 384,851	\$ 26,937	\$ 30,373	\$ 198,402	\$ 54,405	\$ 5,026	\$ 28,861
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 4,978		\$ 86		\$ 51,500	\$ 189	\$ 118
Interfund payables						2,905			
Settlements pending									
Total Liabilities			4,978		86	54,405	189	118	
Fund Balances:									
Restricted			379,873	\$ 26,937	30,287	\$ 198,402			28,743
Assigned	\$ 1,689	\$ 140,930						4,837	
Total Fund Balances	1,689	140,930	379,873	26,937	30,287	198,402	4,837	28,743	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,689	\$ 140,930	\$ 384,851	\$ 26,937	\$ 30,373	\$ 198,402	\$ 54,405	\$ 5,026	\$ 28,861

WASHINGTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2019

Schedule 1

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	Department of Emergency Management Grant	Drug Court Grant	Law Enforcement Grants	Animal Shelter Grant	Animal Shelter Projects	Juvenile Court Grant	Crisis Stabilization Unit Grant	Energy Saving Improvements Capital Projects	Improvement Refunding Revenue Bond (Historic Courthouse Project)
ASSETS									
Cash and cash equivalents	\$ 7,181	\$ 9,456	\$ 57,218	\$ 2,301	\$ 51,670	\$ (1,157)	\$ 744	\$ 3,022,267	\$ 1,117,914
Accounts receivable	137,920	20,813	10,000			1,709	109		32,725
TOTAL ASSETS	\$ 145,101	\$ 30,269	\$ 67,218	\$ 2,301	\$ 51,670	\$ 552	\$ 853	\$ 3,022,267	\$ 1,150,639
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 27,362	\$ 12,589							
Interfund payables									
Settlements pending									
Total Liabilities	<u>27,362</u>	<u>12,589</u>							
Fund Balances:									
Restricted		17,680	\$ 67,218	\$ 2,301	\$ 51,670	\$ 552	\$ 853	\$ 3,022,267	\$ 1,150,639
Assigned	117,739								
Total Fund Balances	<u>117,739</u>	<u>17,680</u>	<u>67,218</u>	<u>2,301</u>	<u>51,670</u>	<u>552</u>	<u>853</u>	<u>3,022,267</u>	<u>1,150,639</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 145,101	\$ 30,269	\$ 67,218	\$ 2,301	\$ 51,670	\$ 552	\$ 853	\$ 3,022,267	\$ 1,150,639

WASHINGTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2019

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Assessor Account	County Judge's Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 12,475,653	\$ 1,077,963	\$ 660,287	\$ 75,781	\$ 988,908	\$ 150	\$ 50	\$ 26,780,378
Accounts receivable								1,749,466
TOTAL ASSETS	\$ 12,475,653	\$ 1,077,963	\$ 660,287	\$ 75,781	\$ 988,908	\$ 150	\$ 50	\$ 28,529,844
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 593,377
Interfund payables								59,617
Settlements pending	\$ 12,475,653	\$ 1,077,963	\$ 660,287	\$ 75,781	\$ 988,908	\$ 150	\$ 50	15,278,792
Total Liabilities	12,475,653	1,077,963	660,287	75,781	988,908	150	50	15,931,786
Fund Balances:								
Restricted								10,550,997
Assigned								2,047,061
Total Fund Balances								12,598,058
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,475,653	\$ 1,077,963	\$ 660,287	\$ 75,781	\$ 988,908	\$ 150	\$ 50	\$ 28,529,844

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, 2019

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	Child Support Collections Costs
REVENUES									
State aid				\$ 71,996			\$ 429,579		
Federal aid									
Property taxes							2,015,446		
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 3,561	\$ 11,768	\$ 2,793	2,876	\$ 9,865	\$ 17,295	19,348	\$ 657	\$ 147
Officers' fees			28,587		111,575	1,595,517		4,170	11,832
Recycling grant									
Jail fees									
Jail telephone commission									
911 fees									
Rent									
Reimbursement from Benton County for HIV clinic salaries									
Donations									
Treasurer's commission	95,000								
Collector's commission		300,000							
Other	3	508	35	33		107	978		
TOTAL REVENUES	98,564	312,276	31,415	74,905	121,440	1,612,919	2,465,351	4,827	11,979
Less: Treasurer's commission			131		504	6,623	9,062	20	50
NET REVENUES	98,564	312,276	31,284	74,905	120,936	1,606,296	2,456,289	4,807	11,929
EXPENDITURES									
Current:									
General government	12,609	296,787		69,702	68,856	644,091		3,337	11,920
Law enforcement			32,886						
Highways and streets									
Public safety									
Sanitation									
Health									
Recreation and culture							2,362,880		
Total Current	12,609	296,787	32,886	69,702	68,856	644,091	2,362,880	3,337	11,920
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	12,609	296,787	32,886	69,702	68,856	644,091	2,362,880	3,337	11,920
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	85,955	15,489	(1,602)	5,203	52,080	962,205	93,409	1,470	9
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out						(923,389)			
Proceeds from Energy Equipment Lease									
TOTAL OTHER FINANCING SOURCES (USES)						(923,389)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	85,955	15,489	(1,602)	5,203	52,080	38,816	93,409	1,470	9
FUND BALANCES - JANUARY 1	209,688	821,449	165,859	130,718	584,518	1,134,412	1,369,065	38,812	195
FUND BALANCES - DECEMBER 31	\$ 295,643	\$ 836,938	\$ 164,257	\$ 135,921	\$ 636,598	\$ 1,173,228	\$ 1,462,474	\$ 40,282	\$ 204

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, 2019

Schedule 2

	SPECIAL REVENUE FUNDS								
	Communication Facility and Equipment	Jail Operations Sales Tax	Boating Safety and Enforcement	Emergency 911	Adult Drug Court Program	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee
REVENUES									
State aid			\$ 8,820						
Federal aid									
Property taxes									\$ 11,402
Sales taxes		\$ 9,924,237							
Fines, forfeitures, and costs		556,702							
Interest	\$ 3,714	9,358	277	\$ 13,877	\$ 301	\$ 182	\$ 43	\$ 306	335
Officers' fees	44,637				36,345	3,382	1,060	3,447	
Recycling grant									
Jail fees		4,621,133							
Jail telephone commission	239,217								
911 fees				479,676					
Rent									
Reimbursement from Benton County for HIV clinic salaries									
Donations									
Treasurer's commission									
Collector's commission									
Other	48	250,082	4	152		64			
TOTAL REVENUES	287,616	15,361,512	9,101	493,705	36,646	3,628	1,103	3,753	11,737
Less: Treasurer's commission	1,305	51,371	38	1,532	153	16	4	13	
NET REVENUES	286,311	15,310,141	9,063	492,173	36,493	3,612	1,099	3,740	11,737
EXPENDITURES									
Current:									
General government									18,157
Law enforcement	307,012	16,258,372	3,393		36,216	7,830		13,107	
Highways and streets									
Public safety				695,727					
Sanitation									
Health									
Recreation and culture									
Total Current	307,012	16,258,372	3,393	695,727	36,216	7,830		13,107	18,157
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	307,012	16,258,372	3,393	695,727	36,216	7,830		13,107	18,157
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,701)	(948,231)	5,670	(203,554)	277	(4,218)	1,099	(9,367)	(6,420)
OTHER FINANCING SOURCES (USES)									
Transfers in		50,000							
Transfers out									
Proceeds from Energy Equipment Lease									
TOTAL OTHER FINANCING SOURCES (USES)		50,000							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(20,701)	(898,231)	5,670	(203,554)	277	(4,218)	1,099	(9,367)	(6,420)
FUND BALANCES - JANUARY 1	236,799	2,463,999	13,987	974,625	2,567	12,057	2,110	23,178	16,019
FUND BALANCES - DECEMBER 31	\$ 216,098	\$ 1,565,768	\$ 19,657	\$ 771,071	\$ 2,844	\$ 7,839	\$ 3,209	\$ 13,811	\$ 9,599

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, 2019

Schedule 2

	SPECIAL REVENUE FUNDS								
	Crisis Stabilization Unit (non grant)	Federal Emergency Management (FEMA)	Northwest Arkansas Regional HIV Clinic	County Law Library	Drug Enforcement- State	Drug Enforcement- Federal	Drug Court Program	High Intensity Drug Trafficking Area (HIDTA) Grant	Rural Community Grant
REVENUES									
State aid								\$ 96,746	
Federal aid		\$ 798,176					\$ 304,497		
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 120,957	\$ 6,140	\$ 17,936			
Interest	\$ 23		\$ 2,213	5,899	564	587	\$ 3,080		
Officers' fees							19,555		
Recycling grant									
Jail fees									
Jail telephone commission									
911 fees									
Rent									
Reimbursement from Benton County for HIV clinic salaries			112,500						
Donations	2,550		33,966						
Treasurer's commission									
Collector's commission									
Other	4	150	15,290						
TOTAL REVENUES	2,577	798,326	163,969	126,856	6,704	18,523	22,635	304,497	96,746
Less: Treasurer's commission			9	476	30		102		
NET REVENUES	2,577	798,326	163,960	126,380	6,674	18,523	22,533	304,497	96,746
EXPENDITURES									
Current:									
General government									
Law enforcement				96,211	20,988	20,311	401,687		
Highways and streets		3,114							
Public safety									
Sanitation									
Health	888		174,568						
Recreation and culture								1,493	
Total Current	888	3,114	174,568	96,211	20,988	20,311	401,687	1,493	
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	888	3,114	174,568	96,211	20,988	20,311	401,687	1,493	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,689	795,212	(10,608)	30,169	(14,314)	(1,788)	22,533	(97,190)	95,253
OTHER FINANCING SOURCES (USES)									
Transfers in			38,806						
Transfers out		(804,959)						(212,500)	
Proceeds from Energy Equipment Lease									
TOTAL OTHER FINANCING SOURCES (USES)		(804,959)	38,806					(212,500)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,689	(9,747)	28,198	30,169	(14,314)	(1,788)	22,533	(97,190)	(117,247)
FUND BALANCES - JANUARY 1		9,747	112,732	349,704	41,251	32,075	175,869	97,190	122,084
FUND BALANCES - DECEMBER 31	\$ 1,689	\$ 0	\$ 140,930	\$ 379,873	\$ 26,937	\$ 30,287	\$ 198,402	\$ 0	\$ 4,837

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, 2019

Schedule 2

	SPECIAL REVENUE FUNDS							
	Juvenile Detention Center Grant	Department of Emergency Management Grant	Environmental Affairs Grant	Drug Court Grant	Law Enforcement Grants	Animal Shelter Grant	Animal Shelter Projects	Juvenile Court Grant
REVENUES								
State aid	\$ 31,667				\$ 10,000			
Federal aid		\$ 314,660		\$ 395,449	152,106			\$ 14,804
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest								
Officers' fees								
Recycling grant			\$ 2,415					
Jail fees								
Jail telephone commission								
911 fees								
Rent		38,940						
Reimbursement from Benton County for HIV clinic salaries								
Donations							\$ 6,942	
Treasurer's commission								
Collector's commission								
Other	15	9	1,975	6,324				
TOTAL REVENUES	31,682	353,609	4,390	401,773	162,106		6,942	14,804
Less: Treasurer's commission								
NET REVENUES	31,682	353,609	4,390	401,773	162,106		6,942	14,804
EXPENDITURES								
Current:								
General government								
Law enforcement	25,190			461,026	115,539			16,037
Highways and streets								
Public safety		406,278						
Sanitation			4,390					
Health						\$ 7,699	1,898	
Recreation and culture								
Total Current	25,190	406,278	4,390	461,026	115,539	7,699	1,898	16,037
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	25,190	406,278	4,390	461,026	115,539	7,699	1,898	16,037
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,492	(52,669)		(59,253)	46,567	(7,699)	5,044	(1,233)
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Proceeds from Energy Equipment Lease								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,492	(52,669)		(59,253)	46,567	(7,699)	5,044	(1,233)
FUND BALANCES - JANUARY 1	22,251	170,408		76,933	20,651	10,000	46,626	1,785
FUND BALANCES - DECEMBER 31	\$ 28,743	\$ 117,739	\$ 0	\$ 17,680	\$ 67,218	\$ 2,301	\$ 51,670	\$ 552

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, 2019

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Totals
	Arkansas Heritage Preservation Grant	Crisis Stabilization Unit Grant	Energy Saving Improvements Capital Projects	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	
REVENUES					
State aid	\$ 67,800	\$ 594,804			\$ 1,311,412
Federal aid					1,979,692
Property taxes					2,026,848
Sales taxes					9,924,237
Fines, forfeitures, and costs				\$ 337,302	1,039,037
Interest		853	\$ 20,293	14,027	144,242
Officers' fees					1,860,107
Recycling grant					2,415
Jail fees					4,621,133
Jail telephone commission					239,217
911 fees					479,676
Rent					38,940
Reimbursement from Benton County for HIV clinic salaries					112,500
Donations					43,458
Treasurer's commission					95,000
Collector's commission					300,000
Other				7,681	283,462
TOTAL REVENUES	67,800	595,657	20,293	359,010	24,501,376
Less: Treasurer's commission				1,468	72,907
NET REVENUES	67,800	595,657	20,293	357,542	24,428,469
EXPENDITURES					
Current:					
General government			5,003,555		6,129,014
Law enforcement					17,815,805
Highways and streets					3,114
Public safety					1,102,005
Sanitation					4,390
Health		594,804			779,857
Recreation and culture	66,900				2,431,273
Total Current	66,900	594,804	5,003,555		28,265,458
Debt Service:					
Bond principal				325,000	325,000
Bond interest and other charges				33,986	33,986
TOTAL EXPENDITURES	66,900	594,804	5,003,555	358,986	28,624,444
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	900	853	(4,983,262)	(1,444)	(4,195,975)
OTHER FINANCING SOURCES (USES)					
Transfers in					88,806
Transfers out					(1,940,848)
Proceeds from Energy Equipment Lease			8,005,529		8,005,529
TOTAL OTHER FINANCING SOURCES (USES)			8,005,529		6,153,487
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	900	853	3,022,267	(1,444)	1,957,512
FUND BALANCES - JANUARY 1	(900)			1,152,083	10,640,546
FUND BALANCES - DECEMBER 31	\$ 0	\$ 853	\$ 3,022,267	\$ 1,150,639	\$ 12,598,058

WASHINGTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2019

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.
Child 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, 2019

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.
Adult 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 Court Representation	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.
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.
Crisis Stabilization Unit (non grant)	Established to account for monies received benefitting the Crisis Stabilization Unit but not grant related.
Federal Emergency Management (FEMA)	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.
County Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from costs levied and to fund law library expenditures.
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.

WASHINGTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2019

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
High Intensity Drug Trafficking Area (HIDTA) Grant	Established to account for federal aid received for High Intensity Drug Trafficking Area.
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 for the animal shelter.
Animal Shelter Projects	Established to account for donations received to support animal shelter projects.
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
Arkansas Heritage Preservation Grant	Established to account for grant received from Arkansas Historic Preservation Program, a division of the Department of Arkansas Heritage.
Crisis Stabilization Unit Grant	Established to account for grant monies received from the State of Arkansas for the funding of a unit to give law enforcement officers in Washington, Benton, Madison and Carroll Counties an alternative to jail when encountering people with mental health issues.

WASHINGTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2019

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

<u>Fund Name</u>	<u>Fund Description</u>
Energy Saving Improvements Capital Projects	Washington County Ordinance no. 2019-41 (May 28, 2019) established an escrow account for loan proceeds to be disbursed by a trustee for a performance contract with Johnson Controls, Inc. for the installation of energy conservation improvements contracted as an equipment lease.
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.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, collector's commission, and interest not distributed to the appropriate 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, evidence, and inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with the treasurer.

Circuit Clerk's accounts consist of trust money and settlements due to the 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, 2019
(Unaudited)

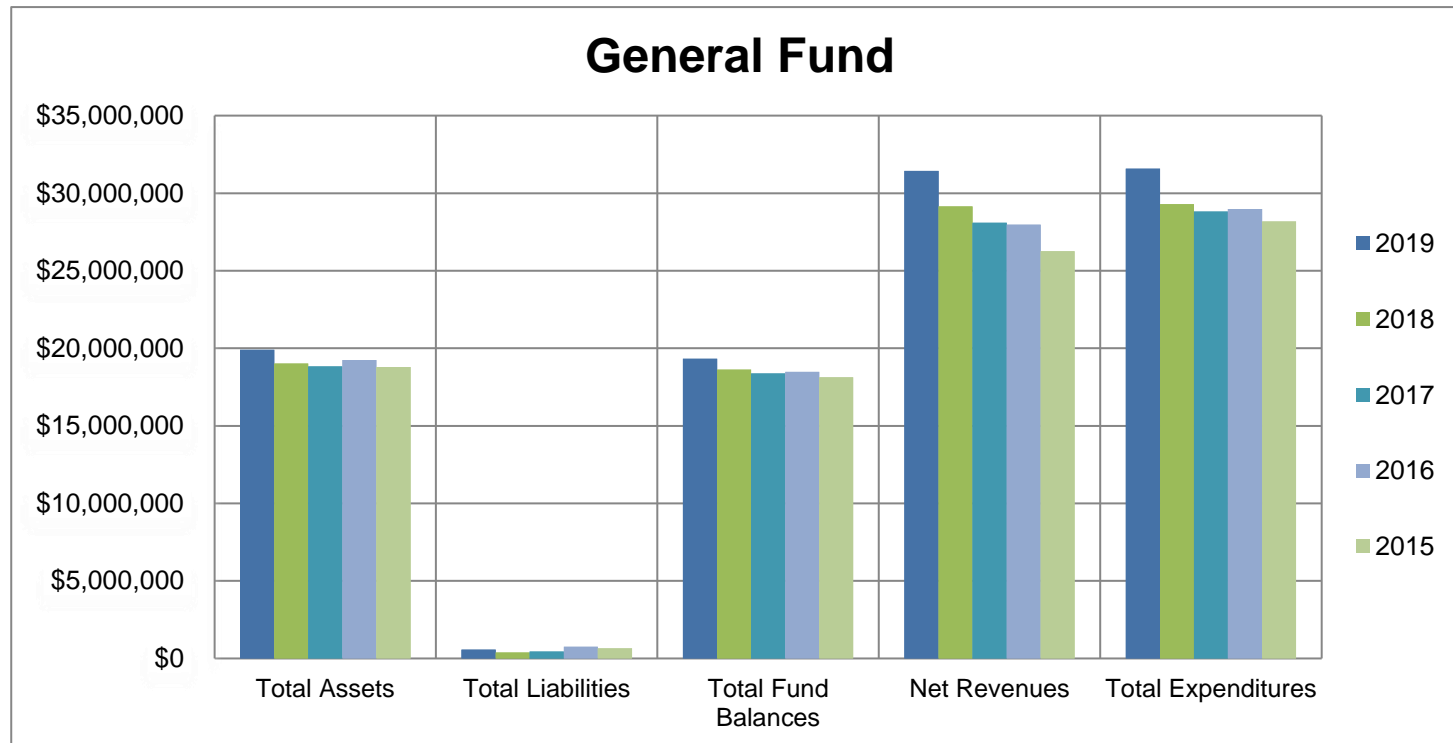
Schedule 3

	<u>December 31, 2019</u>
Land	\$ 3,516,590
Buildings and improvements	69,421,932
Construction in progress	5,003,555
Equipment	<u>27,467,449</u>
Total	<u>\$ 105,409,526</u>

WASHINGTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2019
 (Unaudited)

Schedule 4-1

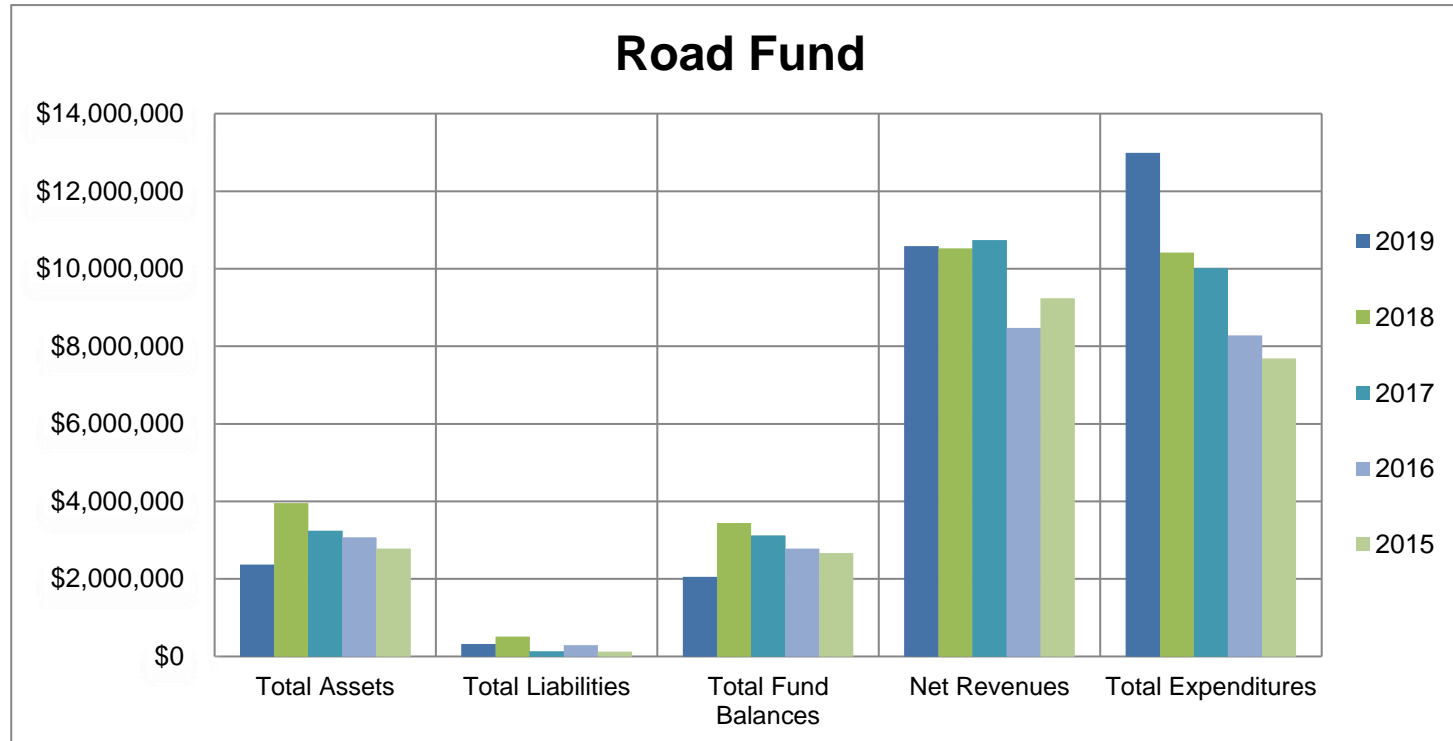
<u>General</u>	2019	2018	2017	2016	2015
Total Assets	\$ 19,903,259	\$ 19,019,048	\$ 18,822,048	\$ 19,238,880	\$ 18,784,538
Total Liabilities	577,893	390,018	453,949	764,338	655,410
Total Fund Balances	19,325,366	18,629,030	18,368,099	18,474,542	18,129,128
Net Revenues	31,441,423	29,146,287	28,087,656	27,973,863	26,257,791
Total Expenditures	31,579,670	29,287,950	28,807,788	28,978,918	28,168,014
Total Other Financing Sources/Uses	834,583	402,594	613,679	1,350,469	40,855



WASHINGTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2019
 (Unaudited)

Schedule 4-2

<u>Road</u>	2019	2018	2017	2016	2015
Total Assets	\$ 2,362,553	\$ 3,946,037	\$ 3,239,865	\$ 3,066,977	\$ 2,776,491
Total Liabilities	314,927	507,129	125,863	286,728	116,380
Total Fund Balances	2,047,626	3,438,908	3,114,002	2,780,249	2,660,111
Net Revenues	10,575,224	10,519,355	10,736,790	8,469,442	9,231,922
Total Expenditures	12,983,965	10,414,615	10,003,615	8,271,503	7,677,603
Total Other Financing Sources/Uses	1,017,459	220,166	(399,422)	(77,801)	



WASHINGTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2019
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2019	2018	2017	2016	2015
Total Assets	\$ 28,529,844	\$ 25,840,993	\$ 27,528,353	\$ 24,959,841	\$ 23,557,810
Total Liabilities	15,931,786	15,200,447	16,969,421	14,144,968	13,990,734
Total Fund Balances	12,598,058	10,640,546	10,558,932	10,814,873	9,567,076
Net Revenues	24,428,469	23,488,303	21,119,083	22,019,136	20,731,654
Total Expenditures	28,624,444	22,783,929	21,160,767	19,743,187	18,930,606
Total Other Financing Sources/Uses	6,153,487	(622,760)	(214,257)	(1,272,668)	(40,855)

