

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

**December 31, 2013**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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Sen. Linda Chesterfield  
Senate Vice Chair



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

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

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, 2013 as listed in the table of contents, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Arkansas Code, 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 Arkansas Code, 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, 2013, 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, 2013, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

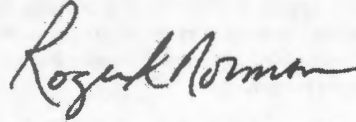
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
June 29, 2015  
LOCO07213

# Arkansas

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



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House Chair  
Rep. Sue Scott  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

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, 2013, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2015. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were qualified because required disclosures were not made concerning deposit risks.

#### Internal Control Over Financial Reporting

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

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

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

2013-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

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

#### Compliance and Other Matters

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



Entity's Response to Finding

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

Other Issues

The following issues are not significant deficiencies, material weaknesses, or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the County.

The commentary contained in this section relates to the following officials that held office during 2013:

County Judge: Marilyn Edwards  
Treasurer: Roger Haney  
Sheriff: Tim Helder  
Tax Collector: David Ruff  
County Clerk: Becky Lewallen  
Circuit Clerk: Kyle Sylvester  
Assessor: Jeff Williams  
County Librarian: Glenda Audrain

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

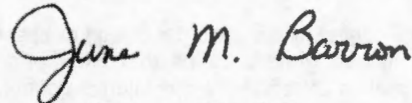
**Circuit Clerk**

The County notified us, and we confirmed, that \$1,000,034 in filing fees for a mortgagee's or trustee's notice of default and intention to sell foreclosed property collected by the Circuit Clerk for the years 2008-2014 were not remitted to Department of Finance and Administration, as required by Ark. Code Ann. §§ 16-10-306, 21-6-403, but were instead credited to the County General Fund. The 2013 amount was \$107,380. Washington County Ordinance no. 2015-20 (March 23, 2015) established an agreement to pay \$1,000,034 to the Arkansas Department of Finance and Administration in 12 equal payments of \$83,336 beginning March 30, 2015 and ending February 2, 2016.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



June M. Barron, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
June 29, 2015



WASHINGTON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2013

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 20,188,841	\$ 680,826	\$ 18,101,363
Accounts receivable	4,328,320	472,013	1,695,579
Interfund receivables	20,836		
<b>TOTAL ASSETS</b>	<b>\$ 24,537,997</b>	<b>\$ 1,152,839</b>	<b>\$ 19,796,942</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 574,110	\$ 193,360	\$ 271,569
Interfund payables			20,836
Settlements pending			11,522,718
<b>Total Liabilities</b>	<b>574,110</b>	<b>193,360</b>	<b>11,815,123</b>
<b>Fund Balances:</b>			
Restricted	26,126		6,190,703
Committed			164
Assigned	1,076,881	959,479	1,790,952
Unassigned	22,860,880		
<b>Total Fund Balances</b>	<b>23,963,887</b>	<b>959,479</b>	<b>7,981,819</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 24,537,997</b>	<b>\$ 1,152,839</b>	<b>\$ 19,796,942</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, 2013

Exhibit B

	General	Road	Other Funds in the Aggregate
<b>REVENUES</b>			
State aid	\$ 2,089,858	\$ 3,736,280	\$ 645,574
Federal aid		56,730	3,381,171
Property taxes	12,406,323	1,109,830	1,646,501
Sales taxes	3,643,555	2,429,037	8,087,639
Fines, forfeitures, and costs	660,944		1,475,390
Interest	42,062	2,291	14,962
Officers' fees	877,955		1,879,202
Jail telephone commissions			179,801
Donations			112,700
Miscellaneous reimbursements			59,176
Jail fees	513		2,295,491
911 fees			508,194
Per capita fees			22,681
Franchise fees	154,712		
Sanitation fees	9,169		
Insurance premiums collected	1,214,568		
Law enforcement services reimbursement	86,711		
Local grants			24,149
Landfill fees		428,799	
Treasurer's commission	267,323		
Collector's commission	1,105,170		107,497
Taxes apportioned - Assessor's salary and expense	1,737,200		
Other	988,697	308,646	267,825
<b>TOTAL REVENUES</b>	<b>25,284,760</b>	<b>8,071,613</b>	<b>20,707,953</b>
Less: Treasurer's commission	82,054	34,390	80,104
<b>NET REVENUES</b>	<b>25,202,706</b>	<b>8,037,223</b>	<b>20,627,849</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	13,080,577		1,015,830
Law enforcement	10,949,919		13,873,143
Highways and streets		8,780,645	
Public safety	1,246,025		1,179,851
Sanitation	396,695		
Health	1,370,347		154,173
Recreation and culture			1,991,992
Social services	196,798		
Economic development			295,001
Water			1,819,897
<b>Total Current</b>	<b>27,240,361</b>	<b>8,780,645</b>	<b>20,329,887</b>



WASHINGTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	General	Road	Other Funds in the Aggregate
EXPENDITURES (Continued)			
Debt Service:			
Bond principal			\$ 220,000
Bond interest and other charges			46,204
Lease principal		\$ 334,266	
Lease interest		34,845	
TOTAL EXPENDITURES	<u>\$ 27,240,361</u>	<u>9,149,756</u>	<u>20,596,091</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,037,655)</u>	<u>(1,112,533)</u>	<u>31,758</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	968,026		1,927,737
Transfers out	(1,870,065)		(1,025,698)
Bond proceeds			2,990,000
Remitted to refunding bond escrow agent			(3,280,446)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(902,039)</u>		<u>611,593</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(2,939,694)</u>	<u>(1,112,533)</u>	<u>643,351</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	27,111,555	2,338,010	7,338,468
Restatement adjustment	<u>(207,974)</u>	<u>(265,998)</u>	
FUND BALANCES - JANUARY 1, AS RESTATED	<u>26,903,581</u>	<u>2,072,012</u>	<u>7,338,468</u>
FUND BALANCES - DECEMBER 31	<u>\$ 23,963,887</u>	<u>\$ 959,479</u>	<u>\$ 7,981,819</u>

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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
State aid	\$ 2,088,468	\$ 2,089,858	\$ 1,390	\$ 4,071,272	\$ 3,736,280	\$ (334,992)
Federal aid	17,000		(17,000)	66,000	56,730	(9,270)
Property taxes	11,498,718	12,406,323	907,605	1,160,537	1,109,830	(50,707)
Sales taxes	3,654,715	3,643,555	(11,160)	2,436,476	2,429,037	(7,439)
Fines, forfeitures, and costs	60,500	660,944	600,444			
Interest	42,500	42,062	(438)	4,400	2,291	(2,109)
Officers' fees	1,001,915	877,955	(123,960)			
Jail fees		513	513			
Franchise fees	172,000	154,712	(17,288)			
Sanitation fees	14,400	9,169	(5,231)			
Insurance premiums collected	1,071,776	1,214,568	142,792			
Law enforcement services reimbursement	86,711	86,711				
Landfill fees				410,000	428,799	18,799
Treasurer's commission	247,528	267,323	19,795			
Collector's commission	947,839	1,105,170	157,331			
Taxes apportioned - Assessor's salary and expense	1,618,811	1,737,200	118,389			
Other	3,938,888	988,697	(2,950,191)	328,359	308,646	(19,713)
<b>TOTAL REVENUES</b>	<b>26,461,769</b>	<b>25,284,760</b>	<b>(1,177,009)</b>	<b>8,477,044</b>	<b>8,071,613</b>	<b>(405,431)</b>
Less: Treasurer's commission	400,045	82,054	317,991	96,000	34,390	61,610
<b>NET REVENUES</b>	<b>26,061,724</b>	<b>25,202,706</b>	<b>(859,018)</b>	<b>8,381,044</b>	<b>8,037,223</b>	<b>(343,821)</b>
<b>EXPENDITURES</b>						
Current:						
General government	16,210,219	13,080,577	3,129,642			
Law enforcement	12,135,647	10,949,919	1,185,728			
Highways and streets				9,106,984	8,780,645	326,339
Public safety	1,280,986	1,246,025	34,961			
Sanitation	450,061	396,695	53,366			
Health	1,371,027	1,370,347	680			
Social services	201,203	196,798	4,405			
<b>Total Current</b>	<b>31,649,143</b>	<b>27,240,361</b>	<b>4,408,782</b>	<b>9,106,984</b>	<b>8,780,645</b>	<b>326,339</b>
Debt Service:						
Lease principal				334,266	334,266	
Lease interest				34,546	34,845	1
<b>TOTAL EXPENDITURES</b>	<b>31,649,143</b>	<b>27,240,361</b>	<b>4,408,782</b>	<b>9,476,096</b>	<b>9,149,756</b>	<b>326,340</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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,587,419)	\$ (2,037,655)	\$ 3,549,764	\$ (1,095,052)	\$ (1,112,533)	\$ (17,481)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,304,000	968,026	(335,974)			
Transfers out	(2,008,871)	(1,870,065)	138,806			
TOTAL OTHER FINANCING SOURCES (USES)	(704,871)	(902,039)	(197,168)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,292,290)	(2,939,694)	3,352,596	(1,095,052)	(1,112,533)	(17,481)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	22,247,435	27,111,555	4,864,120	1,650,238	2,338,010	687,772
Restatement adjustment		(207,974)	(207,974)		(265,998)	(265,998)
FUND BALANCES - JANUARY 1, AS RESTATED	22,247,435	26,903,581	4,656,146	1,650,238	2,072,012	421,774
FUND BALANCES - DECEMBER 31	<u>\$ 15,955,145</u>	<u>\$ 23,963,887</u>	<u>\$ 8,008,742</u>	<u>\$ 555,186</u>	<u>\$ 959,479</u>	<u>\$ 404,293</u>

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

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WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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 Arkansas Code. 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, Central Supply, Employee Self-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, 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, 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 Collection 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, Summers Substation Grant, Fire Equipment and Training (Act 833), Circuit Court - Juvenile Division, Voting System Grant, Circuit Clerk Commissioner's Fee, Washington County Hazmat, Environmental Affairs Grant, Department of Emergency Management Grant.

**Capital Projects Funds** - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The following Capital Projects Funds is reported with other funds in the aggregate: Arkansas Community and Economic Development Program (ACEDP) Phase II.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

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

**Other Funds in the Aggregate (Continued)**

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, Homestead Sewer, Bethel Oaks Sewer, Joyce Street Sewer, Sloan Sewer, Horsebend Sewer, Westridge Sewer, Assessor's Commission, and USDA Water Project), Collector (Current and Delinquent Tax and Change), Sheriff (Fee, Bond, Felony Bond, and Execution), County Clerk (Fee, Trust, and Petty Cash), Circuit Clerk (Fee, Advanced Cost, Child Support, Change, and Trust), Assessor (Change), and County Judge (Juvenile Detention Center, Purchasing Petty Cash, Archives Change, and Environmental Affairs Change).

**C. Basis of Accounting**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. 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, 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. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
3. Assigned fund balance - amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

**D. Assets, Liabilities, and Fund Balances (Continued)**

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

**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 Special Revenue Funds.

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

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

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

**NOTE 2: Cash**

Deposit risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

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

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



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 4: Accounts Receivable**

The accounts receivable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 982.00		\$ 14,392
Federal aid			76,692
Property taxes	514,136	\$ 50,053	70,838
Sales taxes	290,049	193,366	643,839
Fines, forfeitures, and costs	3,580		30,049
Interest	4,140	273	1,247
Officers' fees	80,117		121,763
Jail telephone commissions			27,889
Sanitation fees	27		
911 fees			34,623
Jail fees	7,393		405,086
Franchise fees	41,965		
Landfill fees		103,589	
Treasurer's commission	260,157		
Collector's commission	1,077,581		
Assessor's salary and expense	1,693,343		
Other	62,779	2,082	19,107
Excess treasurer's commission	292,071	122,650	250,054
<b>Totals</b>	<b>\$ 4,328,320</b>	<b>\$ 472,013</b>	<b>\$ 1,695,579</b>

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 574,110	\$ 193,360	\$ 271,569

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2013	
	Interfund Receivables	Interfund Payables
General	\$ 20,836	
Other Funds in the Aggregate:		
Special Revenue:		
Recorder's Cost		\$ 9,838
County Public Library		8,490
Emergency 911		2,508
<b>Totals</b>	<b>\$ 20,836</b>	<b>\$ 20,836</b>

Interfund receivables and payables consist of interfund loans. These balances were repaid February 10, 2014.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**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, 2013, the legal debt limit for bonded debt was \$302,442,852. 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, 2013, the legal debt limit for short-term financing obligations was \$79,108,633. The amount of short-term financing obligations was \$1,053,985 leaving a legal debt margin of \$78,054,648.

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

Fund balance classifications at December 31, 2013 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
<b>Fund Balances:</b>			
Restricted for:			
General government			\$ 2,092,753
Law enforcement			885,977
Public safety			1,237,319
Health			123,861
Recreation and culture			1,003,247
Debt service			847,536
Capital outlay			10
Health insurance premiums	\$ 26,126		
<b>Total Restricted</b>	<b>26,126</b>		<b>6,190,703</b>
Committed for:			
Public safety			164
Assigned to:			
General government	71,110		
Law enforcement	5,771		1,781,031
Highways and streets		\$ 959,479	
Public safety			9,601
Recreation and culture			320
Health insurance premiums	1,000,000		
<b>Total Assigned</b>	<b>1,076,881</b>	<b>959,479</b>	<b>1,790,952</b>
Unassigned	22,860,880		
<b>Totals</b>	<b>\$ 23,963,887</b>	<b>\$ 959,479</b>	<b>\$ 7,981,819</b>

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 9: Commitments**

Total commitments consist of the following at December 31, 2013:

	December 31, 2013
Long-term Liabilities	\$ 4,773,377
Noncancellable Lease	96,046
Reappraisal Contract	2,146,240
Act 663 Fee Liability	957,474
Total Commitments	\$ 7,973,137

Long-term Liabilities

Long-term liabilities at December 31, 2013 are comprised of the following:

	December 31, 2013
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 semiannually 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.	\$ 2,770,000
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.	1,053,985
Compensated Absences	949,392
Total Long-term liabilities	\$ 4,773,377

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

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2013:

Year Ending December 31,	Bonds	Leases	Total
2014	\$ 360,006	\$ 369,111	\$ 729,117
2015	351,956	369,111	721,067
2016	353,206	369,111	722,317
2017	358,936		358,936
2018	357,637		357,637
2019 through 2022	1,303,546		1,303,546
Total Obligations	4,085,287	1,107,333	4,192,620
Less Interest	315,287	53,348	368,635
Total Principal	\$ 2,770,000	\$ 1,053,985	\$ 3,823,985



WASHINGTON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

**NOTE 9: Commitments (Continued)**

Noncancellable Lease

The County entered into a noncancellable lease agreement for Emergency 911 hardware, software, and four years of support on September 23, 2010. Terms of the lease are annual rental payments of \$97,696 for four years. The County is obligated for the following amount for the next year:

Year	Amount
2014	\$ 97,696
Less Interest	1,650
Total	\$ 96,046

Rental expense for 2013 was \$97,696.

Reappraisal Contract

The County entered into a professional services contract for \$5,356,600 with Arkansas CAMA Technology for real estate appraisal and reappraisal maintenance on December 12, 2010. Terms of the contract call for 60 monthly payments of \$89,427. The County is obligated in the following amounts for the next two years:

Year	Amount
2014	\$ 1,073,120
2015	1,073,120
Total	\$ 2,146,240

Reappraisal expense for 2013 was \$1,073,120.

Act 663 Fee Liability

Act 663 fees totaling \$957,474 that were collected from 2008 through 2013 have not been distributed to the Arkansas Department of Finance and Administration.

**NOTE 10: Interfund Transfers**

The General Fund transferred \$1,870,065 to Other Funds in Aggregate to supplement jail, law enforcement, emergency management, and juvenile detention center operations. Other Funds in Aggregate transferred \$37,285 and \$930,741 to the General Fund for reimbursement of expenditures and excess funds, respectively. Within Other Funds in Aggregate, Drug Enforcement-State Fund transferred \$21,460 to Drug Enforcement-Federal Fund for reimbursement of expenditures; Jail Operations Sales Tax Fund transferred \$84 to Drug Enforcement-Federal Fund for reimbursement of expenses; and Juvenile Counsel Fee Fund transferred \$36,128 to Circuit Court Juvenile Division Fund for reimbursement of expenditures.

**NOTE 11: Prior Year Restatement**

To comply with Ark. Code Ann. § 19-5-602, the beginning fund balances of the General and Road Funds were decreased by \$207,974 and \$265,998, respectively, to recognize revenues in the year received by the County.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 12: 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 \$2,770,000 and \$315,287, respectively, payable through November 1, 2022. For the current year, principal of \$220,000 and interest of \$44,766 were paid.

The Capital Improvement Refunding Revenue Bond Fund (Historic Courthouse Project) received a total of \$444,351 from these revenue sources in 2013. Any revenues collected in excess of the debt service requirements may be used at the option of the County for administration of justice purposes.

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 2013.

**NOTE 13: 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.



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 13: Risk Management (Continued)**

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

**NOTE 14: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended December 31, 2013 were \$3,253,636.

**NOTE 15: 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, 2013, the balance in the Employee Self-Insurance account was \$1,026,126. To safeguard against catastrophic claims expenses, the County also maintains a reinsurance policy with American Fidelity Assurance Company, which will fund individual claims that exceed \$175,000 per occurrence.

**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. Washington County paid \$34,447 to the Boston Mountain Solid Waste District during 2013. 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 and Madison Counties, as well as other entities within each of these counties. Washington County paid \$23,500 to ORT for their share of the transportation benefits provided to its members. Financial statements may be obtained at: Ozark Regional Transit, 2423 E. Robison, Springdale, Arkansas 72764.



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 16: Jointly Governed Organizations (Continued)**

Fourth Judicial District Drug Task Force

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

**NOTE 17: 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 agreement call for Washington County to pay a minimum contribution of \$561,000 per year through the end of 2016. Washington County paid the authority \$561,772 during 2013.

**NOTE 18: 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 \$1,261,400.

**NOTE 19: Contract for Law Enforcement Services**

The City of Tontitown has contracted with Washington County to provide law enforcement services to the City on a reimbursement basis. This agreement was terminated on March 25, 2013. The City reimbursed the County \$86,711 during 2013.

**NOTE 20: Subsequent Events**

Washington County, per Ordinance no. 2015-20 (March 23, 2015), agreed to pay \$1,000,034 to the Arkansas Department of Finance and Administration for Act 663 monies, collected during the years 2008 through 2014, that were inadvertently placed in the County General Fund. Twelve equal payments of \$83,336 are to be made beginning March 30, 2015 and ending February 2, 2016.

**NOTE 21: Debt Refunding**

On January 16, 2013, the County issued \$2,990,000 in refunding revenue bonds with interest rates of .7 to 3 percent. \$2,742,370 of bond proceeds plus \$538,076 of locally available funds were deposited with an escrow agent to advance refund \$3,120,000 of outstanding bonds dated November 1, 2008, with interest rates from 3 to 5.3 percent. The remaining proceeds of \$180,003 (after payment of \$67,627 in net bond issuance costs) will be used for future debt service payments. The 2008 series bonds are considered to be defeased, and the liability for those bonds has been eliminated. The 2008 series bonds were called on December 1, 2013.

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2013

Schedule 1

	SPECIAL REVENUE FUNDS							
	County Public Library	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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 894,887	\$ 137,902	\$ 589,939		\$ 16,114	\$ 1,042,442	\$ 508,184	\$ 486
Accounts receivable	98,728	26	1,242,063	\$ 67,832	207	42,915	36,367	134
<b>TOTAL ASSETS</b>	<b>\$ 993,615</b>	<b>\$ 137,928</b>	<b>\$ 1,832,002</b>	<b>\$ 67,832</b>	<b>\$ 16,321</b>	<b>\$ 1,085,357</b>	<b>\$ 544,551</b>	<b>\$ 620</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 1,395	\$ 14,067	\$ 230,772		\$ 57	\$ 2,907	\$ 2,757	
Interfund payables	8,490					2,508		
Settlements pending								
<b>Total Liabilities</b>	<b>9,885</b>	<b>14,067</b>	<b>230,772</b>		<b>57</b>	<b>5,415</b>	<b>2,757</b>	
<b>Fund Balances:</b>								
Restricted	983,730	123,861		\$ 67,832	16,264	1,079,942	361,993	\$ 620
Committed			1,601,230				179,801	
Assigned								
<b>Total Fund Balances</b>	<b>983,730</b>	<b>123,861</b>	<b>1,601,230</b>	<b>67,832</b>	<b>16,264</b>	<b>1,079,942</b>	<b>541,794</b>	<b>620</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 993,615</b>	<b>\$ 137,928</b>	<b>\$ 1,832,002</b>	<b>\$ 67,832</b>	<b>\$ 16,321</b>	<b>\$ 1,085,357</b>	<b>\$ 544,551</b>	<b>\$ 620</b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Support Collection 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
<b>ASSETS</b>									
Cash and cash equivalents	\$ 17,765	\$ 1,000,000	\$ 10,921	\$ 124,635	\$ 33,097	\$ 19,938	\$ 29,644	\$ 150,000	\$ 739,575
Accounts receivable	287	130,393	2	143	3,714	9	334	10	8,701
<b>TOTAL ASSETS</b>	<b>\$ 18,052</b>	<b>\$ 1,130,393</b>	<b>\$ 10,923</b>	<b>\$ 124,778</b>	<b>\$ 36,811</b>	<b>\$ 19,947</b>	<b>\$ 29,978</b>	<b>\$ 150,010</b>	<b>\$ 748,276</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable		\$ 17,994		\$ 143		\$ 110		\$ 494	
Interfund payables		9,838							
Settlements pending									
<b>Total Liabilities</b>		<b>27,832</b>		<b>143</b>		<b>110</b>		<b>494</b>	
<b>Fund Balances:</b>									
Restricted	\$ 18,052	1,102,561	\$ 10,923	124,635	\$ 36,811	19,517	\$ 29,978	149,516	\$ 748,276
Committed									
Assigned						320			
<b>Total Fund Balances</b>	<b>18,052</b>	<b>1,102,561</b>	<b>10,923</b>	<b>124,635</b>	<b>36,811</b>	<b>19,837</b>	<b>29,978</b>	<b>149,516</b>	<b>748,276</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,052</b>	<b>\$ 1,130,393</b>	<b>\$ 10,923</b>	<b>\$ 124,778</b>	<b>\$ 36,811</b>	<b>\$ 19,947</b>	<b>\$ 29,978</b>	<b>\$ 150,010</b>	<b>\$ 748,276</b>



WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Circuit Court Automation	Drug Enforcement - State	Drug Enforcement - Federal	Assessor's Amendment no. 79	Juvenile Detention Center Grant	Drug Court Grant	Circuit Court - Juvenile Division	Voting System Grant	Circuit Clerk Commissioner's Fee
<b>ASSETS</b>									
Cash and cash equivalents	\$ 165,476	\$ 5,803	\$ 35,800	\$ 22,109	\$ 35,839		\$ 38,412	\$ 1	\$ 8,530
Accounts receivable	1,607	1,604	976	2,395		\$ 8,468	623		412
<b>TOTAL ASSETS</b>	<b>\$ 167,083</b>	<b>\$ 7,407</b>	<b>\$ 36,776</b>	<b>\$ 24,504</b>	<b>\$ 35,839</b>	<b>\$ 8,468</b>	<b>\$ 39,035</b>	<b>\$ 1</b>	<b>\$ 8,942</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 374		\$ 148						
Interfund payables									
Settlements pending									
<b>Total Liabilities</b>	<b>374</b>		<b>148</b>						
<b>Fund Balances:</b>									
Restricted	166,709	\$ 7,407	36,628	\$ 24,504	\$ 35,839	\$ 8,468	\$ 39,035	\$ 1	\$ 8,942
Committed									
Assigned									
<b>Total Fund Balances</b>	<b>166,709</b>	<b>7,407</b>	<b>36,628</b>	<b>24,504</b>	<b>35,839</b>	<b>8,468</b>	<b>39,035</b>	<b>1</b>	<b>8,942</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 167,083</b>	<b>\$ 7,407</b>	<b>\$ 36,776</b>	<b>\$ 24,504</b>	<b>\$ 35,839</b>	<b>\$ 8,468</b>	<b>\$ 39,035</b>	<b>\$ 1</b>	<b>\$ 8,942</b>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2013

Schedule 1

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	Washington County Hazmat	Environmental Affairs Grant	Department of Emergency Management Grant	Arkansas Community and Economic Development Program (ACEDP) Phase II	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)
<b>ASSETS</b>					
Cash and cash equivalents		\$ 351	\$ 138,714	\$ 10	\$ 812,071
Accounts receivable	\$ 164		12,000		35,455
<b>TOTAL ASSETS</b>	<u>\$ 164</u>	<u>\$ 351</u>	<u>\$ 150,714</u>	<u>\$ 10</u>	<u>\$ 847,536</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable		\$ 351			
Interfund payables					
Settlements pending					
Total Liabilities		<u>351</u>			
Fund Balances:					
Restricted			\$ 141,113	\$ 10	\$ 847,536
Committed	\$ 164		9,601		
Assigned			150,714	10	847,536
Total Fund Balances	<u>164</u>		<u>150,714</u>	<u>10</u>	<u>847,536</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 164</u>	<u>\$ 351</u>	<u>\$ 150,714</u>	<u>\$ 10</u>	<u>\$ 847,536</u>

WASHINGTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2013

Schedule 1

AGENCY FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Assessor's Account	County Judge's Accounts	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 9,481,404	\$ 937,107	\$ 258,229	\$ 81,574	\$ 763,854	\$ 150	\$ 400	\$ 18,101,363
Accounts receivable								1,695,579
<b>TOTAL ASSETS</b>	<u>\$ 9,481,404</u>	<u>\$ 937,107</u>	<u>\$ 258,229</u>	<u>\$ 81,574</u>	<u>\$ 763,854</u>	<u>\$ 150</u>	<u>\$ 400</u>	<u>\$ 19,796,942</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable								\$ 271,569
Interfund payables								20,836
Settlements pending	\$ 9,481,404	\$ 937,107	\$ 258,229	\$ 81,574	\$ 763,854	\$ 150	\$ 400	11,522,718
Total Liabilities	<u>9,481,404</u>	<u>937,107</u>	<u>258,229</u>	<u>81,574</u>	<u>763,854</u>	<u>150</u>	<u>400</u>	<u>11,815,123</u>
Fund Balances:								
Restricted								6,190,703
Committed								164
Assigned								1,790,952
Total Fund Balances								<u>7,981,819</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 9,481,404</u>	<u>\$ 937,107</u>	<u>\$ 258,229</u>	<u>\$ 81,574</u>	<u>\$ 763,854</u>	<u>\$ 150</u>	<u>\$ 400</u>	<u>\$ 19,796,942</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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Public Library	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
REVENUES								
State aid	\$ 344,408				\$ 12,525			
Federal aid				\$ 324,452				
Property taxes	1,646,501							
Sales taxes			\$ 8,087,639					
Fines, forfeitures, and costs			1,023,075					
Interest	1,405	\$ 261	1,432		30	\$ 1,969	\$ 1,097	\$ 30
Officers' fees							63,451	2,810
Jail telephone commissions							179,801	
Donations		112,700						
Miscellaneous reimbursements		59,176						
Jail fees			2,295,491					
911 fees						508,194		
Per capita fees								
Local grants								
Collector's commission								
Other	10,019	14	227,362		213	213	7,611	44
<b>TOTAL REVENUES</b>	<b>2,002,333</b>	<b>172,151</b>	<b>11,634,999</b>	<b>324,452</b>	<b>12,768</b>	<b>510,376</b>	<b>251,960</b>	<b>2,884</b>
Less: Treasurer's commission	7,770	5	50,936		261	2,276	4,623	57
<b>NET REVENUES</b>	<b>1,994,563</b>	<b>172,146</b>	<b>11,584,063</b>	<b>324,452</b>	<b>12,507</b>	<b>508,100</b>	<b>247,337</b>	<b>2,827</b>
EXPENDITURES								
Current:								
General government								
Law enforcement			12,900,969	256,620			295,387	
Public safety					7,510	501,168		
Health		154,173						
Recreation and culture	1,986,835							
Economic development								
Water								
Total Current	1,986,835	154,173	12,900,969	256,620	7,510	501,168	295,387	
Debt Service:								
Bond principal								
Bond interest and other charges								
<b>TOTAL EXPENDITURES</b>	<b>1,986,835</b>	<b>154,173</b>	<b>12,900,969</b>	<b>256,620</b>	<b>7,510</b>	<b>501,168</b>	<b>295,387</b>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,728	17,973	(1,316,906)	67,832	4,997	6,932	(48,050)	2,827
OTHER FINANCING SOURCES (USES)								
Transfers in			1,800,000					
Transfers out			(84)					(36,128)
Bond proceeds								
Remitted to refunding bond escrow agent								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>1,799,916</b>					<b>(36,128)</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,728	17,973	483,010	67,832	4,997	6,932	(48,050)	(33,301)
FUND BALANCES - JANUARY 1	976,002	105,888	1,118,220		11,267	1,073,010	589,844	33,921
FUND BALANCES - DECEMBER 31	<b>\$ 983,730</b>	<b>\$ 123,861</b>	<b>\$ 1,601,230</b>	<b>\$ 67,832</b>	<b>\$ 16,264</b>	<b>\$ 1,079,942</b>	<b>\$ 541,794</b>	<b>\$ 620</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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Support Collection 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
REVENUES									
State aid				\$ 3,314		\$ 3,500			
Federal aid				133,386					
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 33	\$ 2,124	\$ 32		\$ 42	43	\$ 62	\$ 128	\$ 1,540
Officers' fees	17,365	1,610,214			42,531		4,075		108,945
Jail telephone commissions									
Donations									
Miscellaneous reimbursements									
Jail fees									
911 fees									
Per capita fees									
Local grants									
Collector's commission								107,497	
Other	286	110		177	657	320	64	1	1,743
<b>TOTAL REVENUES</b>	<b>17,684</b>	<b>1,612,448</b>	<b>32</b>	<b>136,877</b>	<b>43,230</b>	<b>3,863</b>	<b>4,201</b>	<b>107,626</b>	<b>112,228</b>
Less: Treasurer's commission	357	7,189			841	7	83		2,232
<b>NET REVENUES</b>	<b>17,327</b>	<b>1,605,259</b>	<b>32</b>	<b>136,877</b>	<b>42,389</b>	<b>3,856</b>	<b>4,118</b>	<b>107,626</b>	<b>109,996</b>
EXPENDITURES									
Current:									
General government		714,200	13,310				4,093	44,759	161,849
Law enforcement				37,725	21,082				
Public safety									
Health									
Recreation and culture						5,157			
Economic development									
Water									
Total Current		714,200	13,310	37,725	21,082	5,157	4,093	44,759	161,849
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>		<b>714,200</b>	<b>13,310</b>	<b>37,725</b>	<b>21,082</b>	<b>5,157</b>	<b>4,093</b>	<b>44,759</b>	<b>161,849</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>17,327</b>	<b>891,059</b>	<b>(13,278)</b>	<b>99,152</b>	<b>21,307</b>	<b>(1,301)</b>	<b>25</b>	<b>62,867</b>	<b>(51,853)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in				19,550					
Transfers out	(19,525)	(930,741)			(17,760)				
Bond proceeds									
Remitted to refunding bond escrow agent									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(19,525)</b>	<b>(930,741)</b>		<b>19,550</b>	<b>(17,760)</b>				
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(2,198)</b>	<b>(39,682)</b>	<b>(13,278)</b>	<b>118,702</b>	<b>3,547</b>	<b>(1,301)</b>	<b>25</b>	<b>62,867</b>	<b>(51,853)</b>
FUND BALANCES - JANUARY 1	20,250	1,142,243	24,201	5,933	33,264	21,138	29,953	85,649	800,129
FUND BALANCES - DECEMBER 31	\$ 18,052	\$ 1,102,561	\$ 10,923	\$ 124,635	\$ 36,811	\$ 19,837	\$ 29,978	\$ 149,516	\$ 748,276

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Circuit Court Automation	Drug Enforcement - State	Drug Enforcement - Federal	Assessor's Amendment no.79	Juvenile Detention Center Grant	Drug Court Grant	Tyson's Project	Summers Substation Grant	Fire Equipment and Training (Act 833)
REVENUES									
State aid				\$ 24,488	\$ 35,068				\$ 200,279
Federal aid			\$ 16,030		6,558	\$ 280,927	\$ 295,001	\$ 71,749	
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 7,964							
Interest	\$ 318	19	87	16					
Officers' fees	17,953								
Jail telephone commissions									
Donations									
Miscellaneous reimbursements									
Jail fees									
911 fees									
Per capita fees									
Local grants									
Collector's commission									
Other	279	305	585		3,195				
<b>TOTAL REVENUES</b>	<b>18,550</b>	<b>8,288</b>	<b>16,702</b>	<b>24,504</b>	<b>44,821</b>	<b>280,927</b>	<b>295,001</b>	<b>71,749</b>	<b>200,279</b>
Less: Treasurer's commission	357		738						
<b>NET REVENUES</b>	<b>18,193</b>	<b>8,288</b>	<b>15,964</b>	<b>24,504</b>	<b>44,821</b>	<b>280,927</b>	<b>295,001</b>	<b>71,749</b>	<b>200,279</b>
EXPENDITURES									
Current:									
General government									
Law enforcement	6,576	5,659	35,636		41,030	272,459			
Public safety								71,749	200,279
Health									
Recreation and culture									
Economic development							295,001		
Water									
<b>Total Current</b>	<b>6,576</b>	<b>5,659</b>	<b>35,636</b>		<b>41,030</b>	<b>272,459</b>	<b>295,001</b>	<b>71,749</b>	<b>200,279</b>
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>6,576</b>	<b>5,659</b>	<b>35,636</b>		<b>41,030</b>	<b>272,459</b>	<b>295,001</b>	<b>71,749</b>	<b>200,279</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>11,617</b>	<b>2,629</b>	<b>(19,672)</b>	<b>24,504</b>	<b>3,791</b>	<b>8,468</b>			
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out		(21,460)	21,544		2,056				
Bond proceeds									
Remitted to refunding bond escrow agent									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(21,460)</b>	<b>21,544</b>		<b>2,056</b>				
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>11,617</b>	<b>(18,831)</b>	<b>1,872</b>	<b>24,504</b>	<b>5,847</b>	<b>8,468</b>			
FUND BALANCES - JANUARY 1	155,092	26,238	34,756		29,992				
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 166,709</b>	<b>\$ 7,407</b>	<b>\$ 36,628</b>	<b>\$ 24,504</b>	<b>\$ 35,839</b>	<b>\$ 8,468</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS					Department of Emergency Management Grant	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Totals
	Circuit Court - Juvenile Division	Voting System Grant	Circuit Clerk Commissioner's Fee	Washington County Hazmat	Environmental Affairs Grant		Arkansas Community and Economic Development Program (ACEDP) Phase II	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	
REVENUES									
State aid		\$ 9,992				\$ 12,000			\$ 645,574
Federal aid						433,168	\$ 1,819,900		3,381,171
Property taxes									1,646,501
Sales taxes									8,087,639
Fines, forfeitures, and costs								\$ 444,351	1,475,390
Interest	\$ 36		\$ 2	\$ 11				4,245	14,962
Officers' fees	2,880		8,978						1,879,202
Jail telephone commissions									179,801
Donations									112,700
Miscellaneous reimbursements									59,176
Jail fees									2,295,491
911 fees									508,194
Per capita fees				22,681					22,681
Local grants					\$ 24,149				24,149
Collector's commission									107,497
Other	37	1	137	164		9,601		4,687	267,825
<b>TOTAL REVENUES</b>	<b>2,953</b>	<b>9,993</b>	<b>9,117</b>	<b>22,856</b>	<b>24,149</b>	<b>454,769</b>	<b>1,819,900</b>	<b>453,283</b>	<b>20,707,953</b>
Less: Treasurer's commission	46		175	210				1,941	80,104
<b>NET REVENUES</b>	<b>2,907</b>	<b>9,993</b>	<b>8,942</b>	<b>22,646</b>	<b>24,149</b>	<b>454,769</b>	<b>1,819,900</b>	<b>451,342</b>	<b>20,627,849</b>
EXPENDITURES									
Current:									
General government		9,992						67,627	1,015,830
Law enforcement									13,873,143
Public safety				22,482	24,149	352,514			1,179,851
Health									154,173
Recreation and culture									1,991,992
Economic development									295,001
Water							1,819,897		1,819,897
Total Current		9,992		22,482	24,149	352,514	1,819,897	67,627	20,329,887
Debt Service:									
Bond principal								220,000	220,000
Bond interest and other charges								46,204	46,204
<b>TOTAL EXPENDITURES</b>		<b>9,992</b>		<b>22,482</b>	<b>24,149</b>	<b>352,514</b>	<b>1,819,897</b>	<b>333,831</b>	<b>20,596,091</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,907	1	8,942	164	0	102,255	3	117,511	31,758
OTHER FINANCING SOURCES (USES)									
Transfers in	36,128					48,459			1,927,737
Transfers out									(1,025,698)
Bond proceeds								2,990,000	2,990,000
Remitted to refunding bond escrow agent								(3,280,446)	(3,280,446)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>36,128</b>					<b>48,459</b>		<b>(290,446)</b>	<b>611,593</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	39,035	1	8,942	164	0	150,714	3	(172,935)	643,351
FUND BALANCES - JANUARY 1							7	1,020,471	7,338,468
FUND BALANCES - DECEMBER 31	\$ 39,035	\$ 1	\$ 8,942	\$ 164	\$ 0	\$ 150,714	\$ 10	\$ 847,536	\$ 7,981,819

WASHINGTON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2013

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.
HIV Clinic	Fund 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	Fund 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 Collection Cost	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	Fund established to account for federal and state grants and work release fees.
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.

WASHINGTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2013

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

Fund Name	Fund Description
Rural Community Grant	Fund 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	Fund established to account for state and federal grants received for operation of the Juvenile Detention Center.
Drug Court Grant	Fund established to account for federal grants received for operation of the Drug Court of Washington County.
Tyson's Project	Fund 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.
Summers Substation Grant	Fund established to account for federal grants received for Summers Substation.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the County to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.



WASHINGTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2013

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.
Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.
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.
Washington County Hazmat	Fund created to account for monies received pursuant to Washington County Ordinance no. 2013-32 (May 20, 2013), which established an interlocal agreement between Washington County and the incorporated cities therein to cooperate or join with each other to provide hazardous materials incident response services.
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	Fund established to account for federal grants received for the Department of Emergency Management.
Arkansas Community and Economic Development Program (ACEDP) Phase II	Fund established to account for Community Development Block Grant (CDBG) funds distributed by the Arkansas Community and Economic Development Program (ACEDP). Funds are to be used for engineering and construction costs to deliver water in Southeast Washington County.
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 trust monies awaiting disposition by the applicable court and settlements due to Treasurer.

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 account consist of change funds for multiple departments.

WASHINGTON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2013  
(Unaudited)

Schedule 3

	<u>December 31, 2013</u>
Land	\$ 3,504,390
Buildings and improvements	68,616,767
Equipment	<u>25,250,572</u>
Total	<u>\$ 97,371,729</u>

WASHINGTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
 DECEMBER 31, 2013  
 (Unaudited)

Schedule 4

<u>General</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assets	\$ 24,537,997	\$ 27,606,613	\$ 30,682,532	\$ 30,920,178	\$ 30,968,052
Total Liabilities	574,110	495,058	538,360	808,116	929,104
Total Fund Balances	23,963,887	27,111,555	30,144,172	30,112,062	30,038,948
Net Revenues	25,202,706	25,802,316	28,984,619	29,706,003	28,632,265
Total Expenditures	27,240,361	28,700,289	29,500,770	30,737,975	27,059,088
Total Other Financing Sources/Uses	(902,039)	(134,644)	546,580	1,105,086	1,285,433
 <u>Road</u>					
Total Assets	\$ 1,152,839	\$ 2,819,716	\$ 3,471,792	\$ 3,730,271	\$ 3,413,635
Total Liabilities	193,360	481,706	327,278	364,016	859,599
Total Fund Balances	959,479	2,338,010	3,144,514	3,366,255	2,554,036
Net Revenues	8,037,223	7,684,439	7,513,691	7,799,636	8,529,257
Total Expenditures	9,149,756	8,521,955	8,294,008	6,854,337	8,376,077
Total Other Financing Sources/Uses	0	31,012	558,576	(133,080)	(7,950)
 <u>Other Funds in the Aggregate</u>					
Total Assets	\$ 19,796,942	\$ 23,240,115	\$ 20,604,107	\$ 19,753,484	\$ 23,201,968
Total Liabilities	11,815,123	15,901,647	13,108,748	10,122,740	12,197,222
Total Fund Balances	7,981,819	7,338,468	7,495,359	9,630,744	11,004,746
Net Revenues	20,627,849	19,277,768	17,761,325	17,531,072	16,904,936
Total Expenditures	20,596,091	19,538,291	18,791,554	17,933,068	19,050,268
Total Other Financing Sources/Uses	611,593	103,632	(1,105,156)	(972,006)	(1,277,483)







