

# **Washington County, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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**Sen. David Wallace**  
Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
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 Audit of the Financial Statements**

##### ***Opinions***

We have audited the regulatory basis financial statements of Washington County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

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

In our opinion, the accompanying regulatory basis 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, 2021; 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.

##### ***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 section of our report, the accompanying regulatory basis 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 the general fund, road fund, and other funds in the aggregate of Washington County, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 and pervasive.

### ***Responsibilities of Management 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

### ***Other Information***

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The 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  
June 21, 2023  
LOCO07221

# Arkansas

**Sen. David Wallace**  
Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
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 regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Washington County, Arkansas (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated June 21, 2023. 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.

### Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

### Report on 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 laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 June 21, 2023.

### **Purpose of This Report**

The purpose of this report is solely to described the scope of our testing of internal control and compliance and the results 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, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
June 21, 2023

# Arkansas

**Sen. David Wallace**  
Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



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**Roger A. Norman, JD, CPA, CFE, CFF**  
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 2021:

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 to report 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 black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
June 21, 2023



WASHINGTON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2021

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 26,457,230	\$ 6,191,538	\$ 61,141,346
Accounts receivable	6,279,420	289,347	5,279,175
Interfund receivables	46,834	2,647	
	<u>32,783,484</u>	<u>6,483,532</u>	<u>66,420,521</u>
TOTAL ASSETS	<u>\$ 32,783,484</u>	<u>\$ 6,483,532</u>	<u>\$ 66,420,521</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 682,565	\$ 561,048	\$ 811,366
Interfund payables	2,647		46,834
Settlements pending			20,310,264
Total Liabilities	<u>685,212</u>	<u>561,048</u>	<u>21,168,464</u>
Fund Balances:			
Restricted	1,328,254	434,328	42,764,097
Assigned	1,658,220	5,488,156	2,487,960
Unassigned	29,111,798		
Total Fund Balances	<u>32,098,272</u>	<u>5,922,484</u>	<u>45,252,057</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,783,484</u>	<u>\$ 6,483,532</u>	<u>\$ 66,420,521</u>

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, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 2,764,582	\$ 6,342,971	\$ 1,823,879
Federal aid	55,973	72,166	38,090,299
Property taxes	19,869,032	1,642,440	2,317,815
Sales taxes	5,702,966	3,801,978	21,898,477
Fines, forfeitures, and costs	1,107,197		841,645
Interest	196,236	20,372	122,343
Officers' fees	509,446		2,301,163
Reimbursement from Benton County for HIV salaries			112,500
Franchise fees	122,411		
Jail fees	9,844		4,330,773
Insurance premiums collected	1,290,557		
Donations and private grants	9,390		23,551
Landfill fees		487,736	
Sale of equipment		463,265	
Jail phone commission			227,509
Commissary commission			312,506
911 fees			404,464
Treasurer's commission	236,719		125,000
Collector's commission	1,226,750		400,000
Taxes apportioned - Assessor's salary and expense	2,846,804		
Other	1,463,935	199,122	278,739
TOTAL REVENUES	37,411,842	13,030,050	73,610,663
Less: Treasurer's commission	83,187	39,863	89,633
NET REVENUES	37,328,655	12,990,187	73,521,030
EXPENDITURES			
Current:			
General government	11,917,555		5,065,577
Law enforcement	16,433,662		19,172,639
Highways and streets		9,975,667	622,909
Public safety	1,190,447		4,100,062
Sanitation	224,013		
Health	1,688,122		1,163,039
Recreation and culture			2,612,437
Social services	420,993		7,780,461
Total Current	31,874,792	9,975,667	40,517,124
Debt Service:			
Lease principal	215,023	159,373	
Lease interest	244,977	53,418	
TOTAL EXPENDITURES	32,334,792	10,188,458	40,517,124

WASHINGTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,993,863	\$ 2,801,729	\$ 33,003,906
OTHER FINANCING SOURCES (USES)			
Transfers in	1,179,069	72,175	545,817
Transfers out	(545,817)		(1,251,244)
TOTAL OTHER FINANCING SOURCES (USES)	633,252	72,175	(705,427)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,627,115	2,873,904	32,298,479
FUND BALANCES - JANUARY 1	26,471,157	3,048,580	12,953,578
FUND BALANCES - DECEMBER 31	\$ 32,098,272	\$ 5,922,484	\$ 45,252,057

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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 2,391,220	\$ 2,764,582	\$ 373,362	\$ 5,075,000	\$ 6,342,971	\$ 1,267,971
Federal aid	91,950	55,973	(35,977)	68,050	72,166	4,116
Property taxes	17,783,000	19,869,032	2,086,032	1,602,300	1,642,440	40,140
Sales taxes	4,418,000	5,702,966	1,284,966	2,945,000	3,801,978	856,978
Fines, forfeitures, and costs	656,770	1,107,197	450,427			
Interest	155,225	196,236	41,011	22,000	20,372	(1,628)
Officers' fees	696,900	509,446	(187,454)			
Franchise fees	160,000	122,411	(37,589)			
Jail fees		9,844	9,844			
Insurance premiums collected	4,900,000	1,290,557	(3,609,443)			
Donations and private grants		9,390	9,390			
Landfill fees				600,000	487,736	(112,264)
Sale of equipment					463,265	463,265
Treasurer's commission		236,719	236,719			
Collector's commission		1,226,750	1,226,750			
Taxes apportioned - Assessor's salary and expense		2,846,804	2,846,804			
Other	1,563,800	1,463,935	(99,865)	258,400	199,122	(59,278)
TOTAL REVENUES	32,816,865	37,411,842	4,594,977	10,570,750	13,030,050	2,459,300
Less: Treasurer's commission	455,000	83,187	371,813	200,000	39,863	160,137
NET REVENUES	32,361,865	37,328,655	4,966,790	10,370,750	12,990,187	2,619,437
EXPENDITURES						
Current:						
General government	14,622,638	11,917,555	2,705,083			
Law enforcement	17,772,988	16,433,662	1,339,326			
Highways and streets				11,444,176	9,975,667	1,468,509
Public safety	1,281,899	1,190,447	91,452			
Sanitation	355,000	224,013	130,987			
Health	7,090,899	1,688,122	5,402,777			
Social services	434,036	420,993	13,043			
Total Current	41,557,460	31,874,792	9,682,668	11,444,176	9,975,667	1,468,509
Debt Service:						
Lease principal		215,023	(215,023)		159,373	(159,373)
Lease interest		244,977	(244,977)		53,418	(53,418)
TOTAL EXPENDITURES	41,557,460	32,334,792	9,222,668	11,444,176	10,188,458	1,255,718

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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (9,195,595)</u>	<u>\$ 4,993,863</u>	<u>\$ 14,189,458</u>	<u>\$ (1,073,426)</u>	<u>\$ 2,801,729</u>	<u>\$ 3,875,155</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,649,440	1,179,069	(14,470,371)	1,153,054	72,175	(1,080,879)
Transfers out	<u>(950,000)</u>	<u>(545,817)</u>	<u>404,183</u>	<u>(412)</u>		<u>412</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,699,440</u>	<u>633,252</u>	<u>(14,066,188)</u>	<u>1,152,642</u>	<u>72,175</u>	<u>(1,080,467)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,503,845	5,627,115	123,270	79,216	2,873,904	2,794,688
FUND BALANCES - JANUARY 1	<u>21,400,758</u>	<u>26,471,157</u>	<u>5,070,399</u>	<u>2,580,865</u>	<u>3,048,580</u>	<u>467,715</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 26,904,603</u></u>	<u><u>\$ 32,098,272</u></u>	<u><u>\$ 5,193,669</u></u>	<u><u>\$ 2,660,081</u></u>	<u><u>\$ 5,922,484</u></u>	<u><u>\$ 3,262,403</u></u>

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

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**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 Capital Projects Funds as reported with other funds in the aggregate.

**Debt Service Funds** - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedule 2 for the Debt Service Fund as 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, 2021

**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. Pension trust funds are reported in a separate column as part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

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/salaries, 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, 2021

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

**F. Budget Law**

1. Legal Requirements

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

2. Accounting

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

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

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

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

There were no committed fund balances at year-end.

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

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 3,334,452	\$ 3,325,074
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	<u>90,450,402</u>	<u>92,293,920</u>
Total Deposits	<u>\$ 93,784,854</u>	<u>\$ 95,618,994</u>

The above total deposits do not include cash on hand of \$5,260.



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

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

**NOTE 4: Accounts Receivable**

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid			\$ 3,594,820
Property taxes	\$ 1,175,500	\$ 2,072	83,710
Fines, forfeitures, and costs	71,729		63,330
Interest	24,507	536	1,203
Officers' fees	66,456		186,398
Franchise fees	28,837		
Jail fees	1,748		251,165
Jail phone commission			23,422
911 fees			28,086
Treasurer's commission	236,719		125,000
Collector's commission	1,226,750		400,000
Taxes apportioned - Assessor's salary and expense	2,846,804		
Other	121,669	67,528	29,149
Treasurer's commission charged	478,701	219,211	492,892
Totals	<u>\$ 6,279,420</u>	<u>\$ 289,347</u>	<u>\$ 5,279,175</u>

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 682,565</u>	<u>\$ 561,048</u>	<u>\$ 811,366</u>

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund	\$ 46,834	\$ 2,647
Road Fund	2,647	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation		1,393
Collector's Automation		4,238
Child Support Collections Costs		11,123
Adult Drug Court Program		30,080
Totals	<u>\$ 49,481</u>	<u>\$ 49,481</u>

Interfund receivables and payables consist of interfund loans. These balances were repaid by March 31, 2022.

**NOTE 7: Federal Funds Program Compliance**

The federal program audit report of Washington County dated January 4, 2023, for the year ended December 31, 2021, indicated a material weakness in the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The SEFA, as prepared by Washington County for Federal Programs, did not reflect accurate total expenses for federal grants expended in the 2021, resulting in an overstatement of Coronavirus Relief Fund grant expenses of \$4,567,384.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 20,617,106
Law enforcement			3,471,648
Highways and streets		\$ 434,328	
Public safety			520,307
Health insurance premium	\$ 1,292,616		
Health	35,638		5,642
Recreation and culture			2,355,409
Social services			4,815,837
Capital outlay			10,978,148
Total Restricted	<u>1,328,254</u>	<u>434,328</u>	<u>42,764,097</u>
Assigned to:			
Health insurance premium	1,652,449		
Law enforcement	5,771		2,353,665
Highways and streets		5,488,156	
Health			129,458
Recreation and culture			4,837
Total Assigned	<u>1,658,220</u>	<u>5,488,156</u>	<u>2,487,960</u>
Unassigned	<u>29,111,798</u>		
Totals	<u>\$ 32,098,272</u>	<u>\$ 5,922,484</u>	<u>\$ 45,252,057</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, 2021, the legal debt limit for bonded debt was \$415,397,026. 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, 2021, the legal debt limit for short-term financing obligations was \$109,883,971. The amount of short-term financing obligations was \$2,670,045 leaving a legal debt margin of \$107,213,926.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2021:

	December 31, 2021
Long-term liabilities	\$ 11,237,774
Reappraisal contract	2,616,666
Construction contract	9,644,849
	<hr/>
Total Commitments	\$ 23,499,289
	<hr/>

Long-term Liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	December 31, 2021
<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 \$633,229 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.	\$ 7,512,952
Washington County entered into an installment contract dated October 28, 2021, with Axon Enterprise, Inc. in the amount of \$371,128 for the purchase of 107 Tasers. Terms are an initial payment of \$2,750 and annual payments of \$73,676 for five years to be shared between the General Fund and the Jail Operations Fund. No payments were made on this contract until 2022.	371,128
Washington County entered into a lease-purchase agreement dated February 10, 2021, with Caterpillar Financial Services in the amount of \$1,761,030 with interest rate of 2.99% for purchase of eight Caterpillar 140-15AWD Motor Graders. Monthly payments of \$16,713 for 59 months with a final payment of \$981.193. Payments are to be made from the County Road Fund.	1,623,755
Washington County entered into a lease-purchase agreement dated August 12, 2021, with Caterpillar Financial Services in the amount of \$464,840 with interest rate of 2.99% for purchase of two Caterpillar 140JOY-BR Motor Graders. Monthly payments of \$4,824 for 59 months with a final payment of \$233,144. Payments are to be made from the County Road Fund.	446,419
Washington County entered into a lease-purchase agreement dated October 26, 2021, with Caterpillar Financial Services in the amount of \$232,420 with interest rate of 2.99% for the purchase of a Caterpillar 140-15AWO Motor Grader. Monthly payments of \$2,415 for 60 months and a final payment of \$114,160. Payments are to be made from the County Road Fund.	228,743
Total Direct Borrowings	<hr/> 10,182,997 <hr/>

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 10: Commitments (Continued)**

Long-term Liabilities (Continued)

	December 31, 2021
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	<u>1,054,777</u>
Total Long-term liabilities	<u>\$ 11,237,774</u>

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

The County's outstanding lease-purchase agreements and installment contracts from direct borrowings of \$10,182,997 contain 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 collateral, available to it under applicable law.

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

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Direct Borrowings</u>					
6/28/19	4/1/39	3.17%	8,005,529	7,512,952	492,577
2/10/21	2/1/26	2.99%	1,761,030	1,623,755	137,275
8/13/21	2/1/26	2.99%	464,840	446,419	18,421
10/26/21	12/1/26	2.99%	232,420	228,743	3,677
10/28/21	11/1/26	0.00%	371,128	371,128	0
Total Direct Borrowings			<u>10,834,947</u>	<u>10,182,997</u>	<u>651,950</u>

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
<u>Direct Borrowings</u>				
Capital leases	\$ 0	\$ 2,458,290	\$ 159,373	\$ 2,298,917
Equipment Lease Purchase	7,727,975	0	215,023	7,512,952
Installment Contract	0	371,128	0	371,128
Total Direct Borrowings	<u>7,727,975</u>	<u>2,829,418</u>	<u>374,396</u>	<u>10,182,997</u>

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 10: Commitments (Continued)**

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2022	\$ 511,244	\$ 298,654	\$ 809,898
2023	550,726	290,374	841,100
2024	585,532	275,568	861,100
2025	616,433	259,667	876,100
2026	1,790,509	218,712	2,009,221
2027 through 2031	1,936,456	853,544	2,790,000
2032 through 2036	2,422,485	517,515	2,940,000
2037 through 2039	1,769,613	113,617	1,883,230
Totals	<u>\$ 10,182,997</u>	<u>\$ 2,827,651</u>	<u>\$ 13,010,648</u>

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology on October 2, 2020, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$109,028 for a total of \$3,925,000 beginning January 1, 2021. Contract expense for 2021 was \$1,308,333.

The County is obligated for the following amounts at December 31, 2021:

Year	December 31, 2021
2022	\$ 1,308,333
2023	<u>1,308,333</u>
Total	<u>\$ 2,616,666</u>

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2021:

Project Name	Estimated Completion	Contract Balance December 31, 2021
Motorola Solutions, Inc. for a Washington County simulcast system upgrade & expansion	October 2023	<u>\$ 9,644,849</u>

**NOTE 11: Interfund Transfers**

The General Fund transferred \$545,817 to the Other Funds in the Aggregate (Jail Operations Fund \$507,011 and HIV Clinic \$38,806) for operations. Other Funds in the Aggregate transferred \$72,175 (Rural Community Grant) to the Road Fund for road repairs and \$50,381 (Animal Shelter Project) to the General of excess grant funds. Additionally, Other Funds in the Aggregate transferred \$1,128,688 of excess funds (County Recorder's Cost Fund) to the General Fund.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 12: Subsequent Events**

Per an Agreement of Voluntary Reallocation of Emergency Rental Assistance between the State of Arkansas Department of Human Services (DHS) and Washington County, Arkansas on November 29, 2021, DHS agreed to reallocate \$3,000,000 in Emergency Rental Assistance (ERA 1) funding to Washington County. The Washington County Treasurer subsequently received \$3,000,000 on February 7, 2022.

On April 14, 2022 and January 9, 2023, the County received \$1,701,407 and \$1,701,407, respectively, in additional federal aid for rental assistance (ERA-2) for Washington County residents.

On July 29, 2022, the County received \$775,080 from the State of Arkansas per Arkansas Act 224 of 2022, to provide full-time law enforcement officer salary stipends.

On January 1, 2022, Washington County received \$154,234 from the Fayetteville Housing Authority (FHA) as returned Emergency Rental Assistance Funds that were not disbursed by FHA.

On December 20, 2021, Washington County adopted Ordinance No. 2021-119 to appropriate \$2,900,000 from the American Rescue Plan Act Fund for Upskill NWA. On June 9, 2022, Washington County issued a check to Upskill NWA for \$385,040 as the first program distribution.

On January 11, 2023, Washington County contracted with Karas Correctional Health, P.L.L.C. for medical services for the Washington County Detention Center for \$2,225,000 to be paid in twelve monthly installments.

**NOTE 13: Joint Ventures:**

Washington County Regional Ambulance Authority

Washington County and the cities of Elkins, Elm Springs, Fayetteville, Farmington, Goshen, Greenland, Johnson, Lincoln, Prairie Grove, Tontitown, West Fork, and Winslow entered into an agreement on December 21, 2020,, 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 \$17.96 per capita for the unincorporated population of Washington County based on the prior year's population projection by Northwest Arkansas Council. Washington County paid the authority \$824,985 during 2021.

Washington County/City Library System

The Cities of Springdale, Elkins, Lincoln, Prairie Grove, West Fork, Farmington and Washington County entered into an interlocal agreement dated September 14, 2004, in accordance with Ark. Code Ann. §§ 14-14-910 and 25-20-201, and County Ordinance No. 2001-8 to operate a joint County/City library system within Washington County. The purpose of this agreement is for constructing, operating, and maintaining a public library system for Washington County and will offer library services to the public within the communities of each of the participating cities. Funding for this agreement will be derived from the County library millage and will be distributed in a manner deemed fair and proper by the board. Washington County's millage rate for this purpose will be 1 mill. The Washington County Library Board shall be composed of seven appointed and confirmed members of the County with one each from the Cities of Springdale, Prairie Grove, Lincoln, Westfork, Farmington and Elkins; and one remaining members from the unincorporated areas of the County. The Washington County/City Library transferred \$1 to the Washington County General Fund in 2021, for the lease of real property housing the County Library per a lease agreement signed and dated June 16, 2000.

**NOTE 14: Jointly Governed Organizations**

Boston Mountain Solid Waste District

Washington, Madison, Carroll, and Benton Counties entered into an agreement in April 1991 to form the Four County (NW) Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-707. This agreement stated that their emphasis would be on recycling, composting, and waste reduction. In February 2005, only Washington and Madison Counties remained in the agreement and the name was changed to Boston Mountain Solid Waste District (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 \$29,384 to the Solid Waste District during 2021. Separate financial statements of the Boston Mountain Solid Waste District may be obtained at 11398 Bond Road, Prairie Grove, Arkansas 72752.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

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 2021, Washington County paid \$22,970 to ORT for their share of the transportation benefits provided to its members. Financial statements may be obtained at Ozark Regional Transit, 2423 E. Robinson Avenue, Springdale, AR 72764.

Fourth Judicial District Drug Task Force

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

**NOTE 15: Joint Operations**

Bomb Squad

Washington County and the City of Bentonville entered into an interlocal agreement on February 12, 2010, regarding the Bomb Squad. The agreement states that equipment purchased with grant funds awarded to the County, and formally in the possession of the City of Springdale, shall remain the property of Washington County, but now will be in the physical possession of the Bentonville Bomb Squad so long as it is actively functioning as contemplated by the County. The City of Bentonville is to insure this equipment whose cost approximated \$825,912 as of December 31, 2021.

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 \$34,000 to Washington County in 2021 to supplement salary expenses. Washington Regional Medical Center also contributed \$78,500 to supplement salary expenses at the HIV Clinic. The Washington County General Fund transferred \$38,806 to the HIV Clinic Fund in 2021. Financial activity of the Northwest Arkansas HIV Clinic are included in the financial statements of Washington County.

**NOTE 16: Risk Management**

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

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

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



WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 16: Risk Management (Continued)**

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.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

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

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2021 (date of APERS Employer Allocation Report) were \$4,227,737.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are 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, 2021 (actuarial valuation date and measurement date) was \$10,624,971.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 18: Self-Insured Benefits**

The County provided an insurance benefits plan for employees on a self-insured basis. Blue Advantage Administrators of Arkansas is currently the third party administrator, which provides claims administration/adjudication services for a set monthly fee based on the number of covered employees. As of December 31, 2021, the balance in the Employee Self Insured account was \$2,945,065. 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.

**NOTE 19: Corona Virus (COVID-19)**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The County was awarded \$46,459,271 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$46,459,271 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

On January 22, 2021, the County received \$7,167,563 in federal aid from the Consolidated Appropriations Act, 2021 for rental assistance for residents of Washington County. The County established the Emergency Rental Assistance Program Fund by Ordinance No. 2021-05. On February 3, 2021, Washington County awarded a sub-grant of \$1,500,000 to the Fayetteville Housing Authority and a sub-grant of \$1,500,000 to Springdale Housing Authority to serve as managing entities of federal dollars awarded to the County through the Consolidated Appropriations Act, 2021. Additionally, on April 27, 2021, Washington County entered into a contract with WSD Digital, LLC for the fulfillment of CARES Act Emergency Rental Assistance Program (ERAP) Management, Call Center, and Software for the purpose of administering the County's federally funded housing programs. In 2021 and 2022, payments totaling \$305,300 and \$352,755, respectively, were made to WSD Digital, LLC. In 2021, the County also disbursed \$3,827,056 to County residents and landlords for rental assistance as approved by WSD Digital, LLC.

On June 17, 2021, the County was awarded an additional \$2,268,543 grant from the Consolidated Appropriations Act, 2021 for rental assistance to Washington County residents. Again, WSD Digital, LLC was responsible for the administration of the federally funded housing program. In 2021, payments totaling \$615,922 were disbursed to County residents and landlords.

WASHINGTON COUNTY, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2021

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	Communication Facility and Equipment
ASSETS										
Cash and cash equivalents	\$ 203,236	\$ 418,276	\$ 128,854	\$ 233,897	\$ 746,770	\$ 1,000,000	\$ 1,806,295	\$ 37,557	\$ 11,123	\$ 212,908
Accounts receivable	125,000	400,007	2,767		10,997	205,514	125,019	382	289	30,396
TOTAL ASSETS	<u>\$ 328,236</u>	<u>\$ 818,283</u>	<u>\$ 131,621</u>	<u>\$ 233,897</u>	<u>\$ 757,767</u>	<u>\$ 1,205,514</u>	<u>\$ 1,931,314</u>	<u>\$ 37,939</u>	<u>\$ 11,412</u>	<u>\$ 243,304</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 488	\$ 4,087	\$ 636		\$ 2,346	\$ 20,281	\$ 2,622			\$ 7,379
Interfund payables	1,393	4,238							\$ 11,123	
Settlements pending										
Total Liabilities	<u>1,881</u>	<u>8,325</u>	<u>636</u>		<u>2,346</u>	<u>20,281</u>	<u>2,622</u>		<u>11,123</u>	<u>7,379</u>
Fund Balances:										
Restricted	326,355	809,958	130,985	\$ 233,897	755,421	1,185,233	1,928,692	\$ 37,939	289	
Assigned										235,925
Total Fund Balances	<u>326,355</u>	<u>809,958</u>	<u>130,985</u>	<u>233,897</u>	<u>755,421</u>	<u>1,185,233</u>	<u>1,928,692</u>	<u>37,939</u>	<u>289</u>	<u>235,925</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 328,236</u>	<u>\$ 818,283</u>	<u>\$ 131,621</u>	<u>\$ 233,897</u>	<u>\$ 757,767</u>	<u>\$ 1,205,514</u>	<u>\$ 1,931,314</u>	<u>\$ 37,939</u>	<u>\$ 11,412</u>	<u>\$ 243,304</u>

WASHINGTON COUNTY, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS									
	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	American Rescue Plan Act	Crisis Stabilization Unit (non grant)
ASSETS										
Cash and cash equivalents	\$ 4,298,886	\$ 30,787	\$ 307,472	\$ 30,080	\$ 5,641	\$ 4,330	\$ 389	\$ 33,274	\$ 17,574,754	\$ 77,658
Accounts receivable	588,537	201	33,768	2,663	33	137	26			7
TOTAL ASSETS	<u>\$ 4,887,423</u>	<u>\$ 30,988</u>	<u>\$ 341,240</u>	<u>\$ 32,743</u>	<u>\$ 5,674</u>	<u>\$ 4,467</u>	<u>\$ 415</u>	<u>\$ 33,274</u>	<u>\$ 17,574,754</u>	<u>\$ 77,665</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 358,983		\$ 16,417						\$ 340,014	
Interfund payables				\$ 30,080						
Settlements pending										
Total Liabilities	<u>358,983</u>		<u>16,417</u>	<u>30,080</u>					<u>340,014</u>	
Fund Balances:										
Restricted	2,488,365	\$ 30,988	324,823	2,663	\$ 5,674	\$ 4,467	\$ 415	\$ 33,274	17,234,740	
Assigned	2,040,075									\$ 77,665
Total Fund Balances	<u>4,528,440</u>	<u>30,988</u>	<u>324,823</u>	<u>2,663</u>	<u>5,674</u>	<u>4,467</u>	<u>415</u>	<u>33,274</u>	<u>17,234,740</u>	<u>77,665</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,887,423</u>	<u>\$ 30,988</u>	<u>\$ 341,240</u>	<u>\$ 32,743</u>	<u>\$ 5,674</u>	<u>\$ 4,467</u>	<u>\$ 415</u>	<u>\$ 33,274</u>	<u>\$ 17,574,754</u>	<u>\$ 77,665</u>

WASHINGTON COUNTY, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS									
	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	Department of Emergency Management Grant	Drug Court Grant
ASSETS										
Cash and cash equivalents	\$ 144,024	\$ 399,919	\$ 24,538	\$ 49,950	\$ 210,068		\$ 431,646	\$ 30,357	\$ (141,108)	\$ (4,600)
Accounts receivable	16	9,270	117		84	\$ 67,021			336,861	18,625
TOTAL ASSETS	<u>\$ 144,040</u>	<u>\$ 409,189</u>	<u>\$ 24,655</u>	<u>\$ 49,950</u>	<u>\$ 210,152</u>	<u>\$ 67,021</u>	<u>\$ 431,646</u>	<u>\$ 30,357</u>	<u>\$ 195,753</u>	<u>\$ 14,025</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 14,582	\$ 6,207					\$ 92		\$ 269	\$ 342
Interfund payables										
Settlements pending										
Total Liabilities	<u>14,582</u>	<u>6,207</u>					<u>92</u>		<u>269</u>	<u>342</u>
Fund Balances:										
Restricted		402,982	\$ 24,655	\$ 49,950	\$ 210,152	\$ 67,021	426,717	\$ 30,357	195,484	13,683
Assigned	129,458						4,837			
Total Fund Balances	<u>129,458</u>	<u>402,982</u>	<u>24,655</u>	<u>49,950</u>	<u>210,152</u>	<u>67,021</u>	<u>431,554</u>	<u>30,357</u>	<u>195,484</u>	<u>13,683</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 144,040</u>	<u>\$ 409,189</u>	<u>\$ 24,655</u>	<u>\$ 49,950</u>	<u>\$ 210,152</u>	<u>\$ 67,021</u>	<u>\$ 431,646</u>	<u>\$ 30,357</u>	<u>\$ 195,753</u>	<u>\$ 14,025</u>

WASHINGTON COUNTY, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS	
	Law Enforcement Grants	Animal Shelter Grant	Juvenile Court Grant	Administrative Office of the Courts Juvenile Court Grant	Emergency Rental Assistance Grant	Crisis Stabilization Unit Grant	Emergency Rental Assistance Grant - ERA 2	Radio System Sales Tax Capital Projects	Energy Saving Improvements Capital Projects
ASSETS									
Cash and cash equivalents	\$ (3,230)	\$ 4,223	\$ 790	\$ 4,633	\$ 24,243	\$ 1,419	\$ 1,645,163	\$ 10,823,523	\$ 23,337
Accounts receivable	15,445				3,156,041		3,192	146,760	
TOTAL ASSETS	<u>\$ 12,215</u>	<u>\$ 4,223</u>	<u>\$ 790</u>	<u>\$ 4,633</u>	<u>\$ 3,180,284</u>	<u>\$ 1,419</u>	<u>\$ 1,648,355</u>	<u>\$ 10,970,283</u>	<u>\$ 23,337</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 6,680			\$ 1,667	\$ 12,802			\$ 15,472	
Interfund payables									
Settlements pending									
Total Liabilities	<u>6,680</u>			<u>1,667</u>	<u>12,802</u>			<u>15,472</u>	
Fund Balances:									
Restricted	5,535	\$ 4,223	\$ 790	2,966	3,167,482	\$ 1,419	\$ 1,648,355	10,954,811	\$ 23,337
Assigned									
Total Fund Balances	<u>5,535</u>	<u>4,223</u>	<u>790</u>	<u>2,966</u>	<u>3,167,482</u>	<u>1,419</u>	<u>1,648,355</u>	<u>10,954,811</u>	<u>23,337</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,215</u>	<u>\$ 4,223</u>	<u>\$ 790</u>	<u>\$ 4,633</u>	<u>\$ 3,180,284</u>	<u>\$ 1,419</u>	<u>\$ 1,648,355</u>	<u>\$ 10,970,283</u>	<u>\$ 23,337</u>

WASHINGTON COUNTY, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2021

Schedule 1

	CUSTODIAL FUNDS							
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Detention Center Fee Account	County Judge's Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 15,381,609	\$ 1,726,044	\$ 1,111,376	\$ 73,052	\$ 2,018,066	\$ 67	\$ 50	\$ 61,141,346
Accounts receivable								5,279,175
<b>TOTAL ASSETS</b>	<b>\$ 15,381,609</b>	<b>\$ 1,726,044</b>	<b>\$ 1,111,376</b>	<b>\$ 73,052</b>	<b>\$ 2,018,066</b>	<b>\$ 67</b>	<b>\$ 50</b>	<b>\$ 66,420,521</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 811,366
Interfund payables								46,834
Settlements pending	\$ 15,381,609	\$ 1,726,044	\$ 1,111,376	\$ 73,052	\$ 2,018,066	\$ 67	\$ 50	20,310,264
<b>Total Liabilities</b>	<b>15,381,609</b>	<b>1,726,044</b>	<b>1,111,376</b>	<b>73,052</b>	<b>2,018,066</b>	<b>67</b>	<b>50</b>	<b>21,168,464</b>
Fund Balances:								
Restricted								42,764,097
Assigned								2,487,960
<b>Total Fund Balances</b>								<b>45,252,057</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,381,609</b>	<b>\$ 1,726,044</b>	<b>\$ 1,111,376</b>	<b>\$ 73,052</b>	<b>\$ 2,018,066</b>	<b>\$ 67</b>	<b>\$ 50</b>	<b>\$ 66,420,521</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, 2021

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				\$ 64,919			\$ 438,087		
Federal aid							106,931		
Property taxes							2,298,468		
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 1,355	\$ 3,457	\$ 767	1,285	\$ 3,681	\$ 5,727	7,435	\$ 190	\$ 49
Officers' fees			30,731		128,447	2,056,480		4,584	10,888
Reimbursement from Benton County for HIV Clinic salaries									
Jail fees									
Donations and private grants									
Jail phone commission									
Commissary commission									
911 fees									
Treasurer's commission	125,000								
Collector's commission		400,000							
Other	4	62	8	8		295	277		99
TOTAL REVENUES	126,359	403,519	31,506	66,212	132,128	2,062,502	2,851,198	4,774	11,036
Less: Treasurer's commission			96		379	6,425	7,488	14	34
NET REVENUES	126,359	403,519	31,410	66,212	131,749	2,056,077	2,843,710	4,760	11,002
EXPENDITURES									
Current:									
General government	105,750	408,920		22,829	55,462	957,702		1,815	11,123
Law enforcement			33,770						
Highways and streets									
Public safety									
Health									
Recreation and culture							2,583,364		
Social services									
TOTAL EXPENDITURES	105,750	408,920	33,770	22,829	55,462	957,702	2,583,364	1,815	11,123
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	20,609	(5,401)	(2,360)	43,383	76,287	1,098,375	260,346	2,945	(121)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out						(1,128,688)			
TOTAL OTHER FINANCING SOURCES (USES)						(1,128,688)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	20,609	(5,401)	(2,360)	43,383	76,287	(30,313)	260,346	2,945	(121)
FUND BALANCES - JANUARY 1	305,746	815,359	133,345	190,514	679,134	1,215,546	1,668,346	34,994	410
FUND BALANCES - DECEMBER 31	\$ 326,355	\$ 809,958	\$ 130,985	\$ 233,897	\$ 755,421	\$ 1,185,233	\$ 1,928,692	\$ 37,939	\$ 289



WASHINGTON COUNTY, ARKANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
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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			\$ 11,745						
Federal aid									
Property taxes									\$ 19,347
Sales taxes		\$ 13,286,458							
Fines, forfeitures, and costs		725,427				\$ 190			
Interest	\$ 1,293	9,241	147	\$ 1,733	\$ 87	42	\$ 19	\$ 33	121
Officers' fees	31,761				30,772	1,145	989	1,494	
Reimbursement from Benton County for HIV Clinic salaries									
Jail fees		4,330,773							
Donations and private grants									
Jail phone commission	227,509								
Commissary commission		312,506							
911 fees				404,464					
Treasurer's commission									
Collector's commission									
Other	66	215,167		720		26	120	10	
<b>TOTAL REVENUES</b>	<b>260,629</b>	<b>18,879,572</b>	<b>11,892</b>	<b>406,917</b>	<b>30,859</b>	<b>1,403</b>	<b>1,128</b>	<b>1,537</b>	<b>19,468</b>
Less: Treasurer's commission	776	46,285	37	1,031	93	6	3	5	
<b>NET REVENUES</b>	<b>259,853</b>	<b>18,833,287</b>	<b>11,855</b>	<b>405,886</b>	<b>30,766</b>	<b>1,397</b>	<b>1,125</b>	<b>1,532</b>	<b>19,468</b>
EXPENDITURES									
Current:									
General government									
Law enforcement	333,458	16,032,416	7,065		30,080	4,115		10,000	
Highways and streets									
Public safety				496,332					
Health									
Recreation and culture									
Social services									
<b>TOTAL EXPENDITURES</b>	<b>333,458</b>	<b>16,032,416</b>	<b>7,065</b>	<b>496,332</b>	<b>30,080</b>	<b>4,115</b>		<b>10,000</b>	
<b>EXCESS OF REVENUES OVER (UNDER)</b>									
<b>EXPENDITURES</b>	<b>(73,605)</b>	<b>2,800,871</b>	<b>4,790</b>	<b>(90,446)</b>	<b>686</b>	<b>(2,718)</b>	<b>1,125</b>	<b>(8,468)</b>	<b>19,468</b>
OTHER FINANCING SOURCES (USES)									
Transfers in		507,011							
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>507,011</b>							
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)</b>									
<b>EXPENDITURES AND OTHER USES</b>	<b>(73,605)</b>	<b>3,307,882</b>	<b>4,790</b>	<b>(90,446)</b>	<b>686</b>	<b>(2,718)</b>	<b>1,125</b>	<b>(8,468)</b>	<b>19,468</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>309,530</b>	<b>1,220,558</b>	<b>26,198</b>	<b>415,269</b>	<b>1,977</b>	<b>8,392</b>	<b>3,342</b>	<b>8,883</b>	<b>13,806</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 235,925</b>	<b>\$ 4,528,440</b>	<b>\$ 30,988</b>	<b>\$ 324,823</b>	<b>\$ 2,663</b>	<b>\$ 5,674</b>	<b>\$ 4,467</b>	<b>\$ 415</b>	<b>\$ 33,274</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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	American Rescue Plan Act	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
REVENUES								
State aid								
Federal aid	\$ 23,229,636							\$ 320,432
Property taxes								
Sales taxes								
Fines, forfeitures, and costs				\$ 108,582	6,782	\$ 664		
Interest	41,165	\$ 408	\$ 930	2,101	127	277	\$ 1,091	
Officers' fees							3,872	
Reimbursement from Benton County for HIV Clinic salaries			112,500					
Jail fees								
Donations and private grants			300					
Jail phone commission								
Commissary commission								
911 fees								
Treasurer's commission								
Collector's commission								
Other			20,504					
<b>TOTAL REVENUES</b>	<b>23,270,801</b>	<b>408</b>	<b>134,234</b>	<b>110,683</b>	<b>6,909</b>	<b>941</b>	<b>4,963</b>	<b>320,432</b>
Less: Treasurer's commission		1	3	298	21		15	
<b>NET REVENUES</b>	<b>23,270,801</b>	<b>407</b>	<b>134,231</b>	<b>110,385</b>	<b>6,888</b>	<b>941</b>	<b>4,948</b>	<b>320,432</b>
EXPENDITURES								
Current:								
General government	3,101,634							
Law enforcement	1,826,892			103,410	5,694	7,544		292,040
Highways and streets	622,909							
Public safety	438,008							
Health	19,082		176,288					
Recreation and culture	27,536							
Social services								
<b>TOTAL EXPENDITURES</b>	<b>6,036,061</b>		<b>176,288</b>	<b>103,410</b>	<b>5,694</b>	<b>7,544</b>		<b>292,040</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES</b>	<b>17,234,740</b>	<b>407</b>	<b>(42,057)</b>	<b>6,975</b>	<b>1,194</b>	<b>(6,603)</b>	<b>4,948</b>	<b>28,392</b>
OTHER FINANCING SOURCES (USES)								
Transfers in			38,806					
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>38,806</b>					
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)</b>								
<b>EXPENDITURES AND OTHER USES</b>	<b>17,234,740</b>	<b>407</b>	<b>(3,251)</b>	<b>6,975</b>	<b>1,194</b>	<b>(6,603)</b>	<b>4,948</b>	<b>28,392</b>
FUND BALANCES - JANUARY 1		77,258	132,709	396,007	23,461	56,553	205,204	38,629
FUND BALANCES - DECEMBER 31	\$ 17,234,740	\$ 77,665	\$ 129,458	\$ 402,982	\$ 24,655	\$ 49,950	\$ 210,152	\$ 67,021

WASHINGTON COUNTY, ARKANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
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Schedule 2

	SPECIAL REVENUE FUNDS								
	Rural Community Grant	Juvenile Detention Center Grant	Department of Emergency Management Grant	Drug Court Grant	Law Enforcement Grants	Animal Shelter Grant	Animal Shelter Projects	Juvenile Court Grant	Administrative Office of the Courts Juvenile Court Grant
REVENUES									
State aid	\$ 467,058	\$ 31,167		\$ 10,182					\$ 10,492
Federal aid			\$ 1,473,875	320,631	\$ 43,456				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest									
Officers' fees									
Reimbursement from Benton County for HIV Clinic salaries									
Jail fees									
Donations and private grants						\$ 22,244	\$ 1,007		
Jail phone commission									
Commissary commission									
911 fees									
Treasurer's commission									
Collector's commission									
Other			40,413						
TOTAL REVENUES	467,058	31,167	1,514,288	330,813	43,456	22,244	1,007		10,492
Less: Treasurer's commission									
NET REVENUES	467,058	31,167	1,514,288	330,813	43,456	22,244	1,007		10,492
EXPENDITURES									
Current:									
General government									
Law enforcement		28,908		306,427	138,102				12,718
Highways and streets									
Public safety			1,380,502						
Health						18,135			
Recreation and culture	1,537								
Social services									
TOTAL EXPENDITURES	1,537	28,908	1,380,502	306,427	138,102	18,135			12,718
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	465,521	2,259	133,786	24,386	(94,646)	4,109	1,007		(2,226)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out	(72,175)						(50,381)		
TOTAL OTHER FINANCING SOURCES (USES)	(72,175)						(50,381)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	393,346	2,259	133,786	24,386	(94,646)	4,109	(49,374)		(2,226)
FUND BALANCES - JANUARY 1	38,208	28,098	61,698	(10,703)	100,181	114	49,374	\$ 790	5,192
FUND BALANCES - DECEMBER 31	\$ 431,554	\$ 30,357	\$ 195,484	\$ 13,683	\$ 5,535	\$ 4,223	\$ 0	\$ 790	\$ 2,966

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	
	Emergency Rental Assistance Grant	Crisis Stabilization Unit Grant	Emergency Rental Assistance Grant - ERA 2	Radio System Sales Tax Capital Projects	Energy Saving Improvements Capital Projects	Capital Improvement Refunding Revenue Bond (Historic Courthouse Project)	Totals
REVENUES							
State aid		\$ 790,229					\$ 1,823,879
Federal aid	\$ 10,323,603		\$ 2,271,735				38,090,299
Property taxes							2,317,815
Sales taxes				\$ 8,612,019			21,898,477
Fines, forfeitures, and costs							841,645
Interest		289		39,222	\$ 71		122,343
Officers' fees							2,301,163
Reimbursement from Benton County for HIV Clinic salaries							112,500
Jail fees							4,330,773
Donations and private grants							23,551
Jail phone commission							227,509
Commissary commission							312,506
911 fees							404,464
Treasurer's commission							125,000
Collector's commission							400,000
Other	960						278,739
TOTAL REVENUES	10,324,563	790,518	2,271,735	8,651,241	71		73,610,663
Less: Treasurer's commission				26,623			89,633
NET REVENUES	10,324,563	790,518	2,271,735	8,624,618	71		73,521,030
EXPENDITURES							
Current:							
General government					400,278	\$ 64	5,065,577
Law enforcement							19,172,639
Highways and streets							622,909
Public safety				1,785,220			4,100,062
Health		949,534					1,163,039
Recreation and culture							2,612,437
Social services	7,157,081		623,380				7,780,461
TOTAL EXPENDITURES	7,157,081	949,534	623,380	1,785,220	400,278	64	40,517,124
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	3,167,482	(159,016)	1,648,355	6,839,398	(400,207)	(64)	33,003,906
OTHER FINANCING SOURCES (USES)							
Transfers in							545,817
Transfers out							(1,251,244)
TOTAL OTHER FINANCING SOURCES (USES)							(705,427)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)							
EXPENDITURES AND OTHER USES	3,167,482	(159,016)	1,648,355	6,839,398	(400,207)	(64)	32,298,479
FUND BALANCES - JANUARY 1		160,435		4,115,413	423,544	64	12,953,578
FUND BALANCES - DECEMBER 31	\$ 3,167,482	\$ 1,419	\$ 1,648,355	\$ 10,954,811	\$ 23,337	\$ 0	\$ 45,252,057

WASHINGTON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2021

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, 2021

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.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from COVID-19 public health emergency .
Crisis Stabilization Unit (non grant)	Established to account for monies received benefitting the Crisis Stabilization Unit but not grant related.
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, 2021

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.
Drug Court Grant	Established to account for the federal and state 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
Administrative Office of the Courts Juvenile Court Grant	Established to account for grant received from the Arkansas Administrative Office of the Courts. Program focuses primarily on providing quality representation for children and parents involved in dependency-neglect cases and projects relating to children and families.
Emergency Rental Assistance Grant	Washington County Ordinance no. 2021-05 (January 21, 2021) established fund to account for federal funds from the Consolidated Appropriations Act. 2021 and authorized the establishment of the Emergency Rental Assistance Program (ERAP) within the County. The ERAP will provide rental assistance to residents of Washington County that are unable to rent due to the COVID-19 Pandemic.

WASHINGTON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Emergency Rental Assistance Grant - ERA 2	Washington County Ordinance no. 2021-66 (July 15, 2021) established fund to account for federal funds from the Consolidated Appropriations Act. 2021 and authorized the establishment of the Emergency Rental Assistance Program (ERAP) within the County. The ERAP will provide rental assistance to residents of Washington County that are unable to rent due to the COVID-19 Pandemic.
Radio System Sales Tax Capital Projects	Washington County Ordinance No. 2019-95 (December 19, 2019) provided for a levy of a one-fourth of one percent sales and use tax to be used to acquire, construct, improve, expand, equip, and maintain public safety communication system facilities.
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, and interest not distributed to the appropriate agencies.

Collector's accounts consist primarily of property taxes not yet distributed to the various taxing units.

Sheriff's accounts consist primarily of fees settlement, bond, and evidence money.

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

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

Juvenile Detention Center Fee Account consists of fees not remitted to the treasurer.

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



WASHINGTON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2021  
(Unaudited)

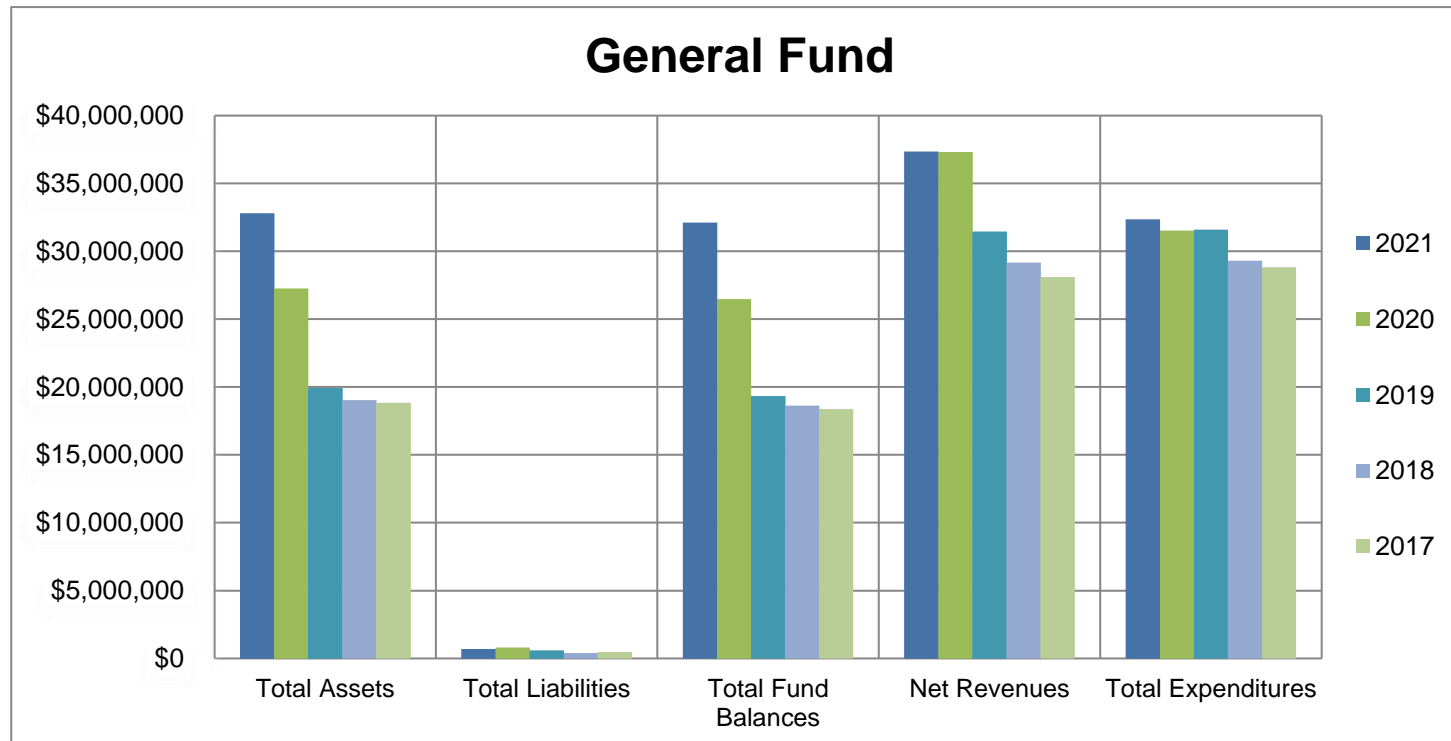
Schedule 3

	December 31, 2021
Land	\$ 3,527,952
Buildings and improvements	77,946,633
Equipment	<u>29,532,410</u>
Total	<u><u>\$ 111,006,995</u></u>

WASHINGTON COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
DECEMBER 31, 2021  
(Unaudited)

Schedule 4-1

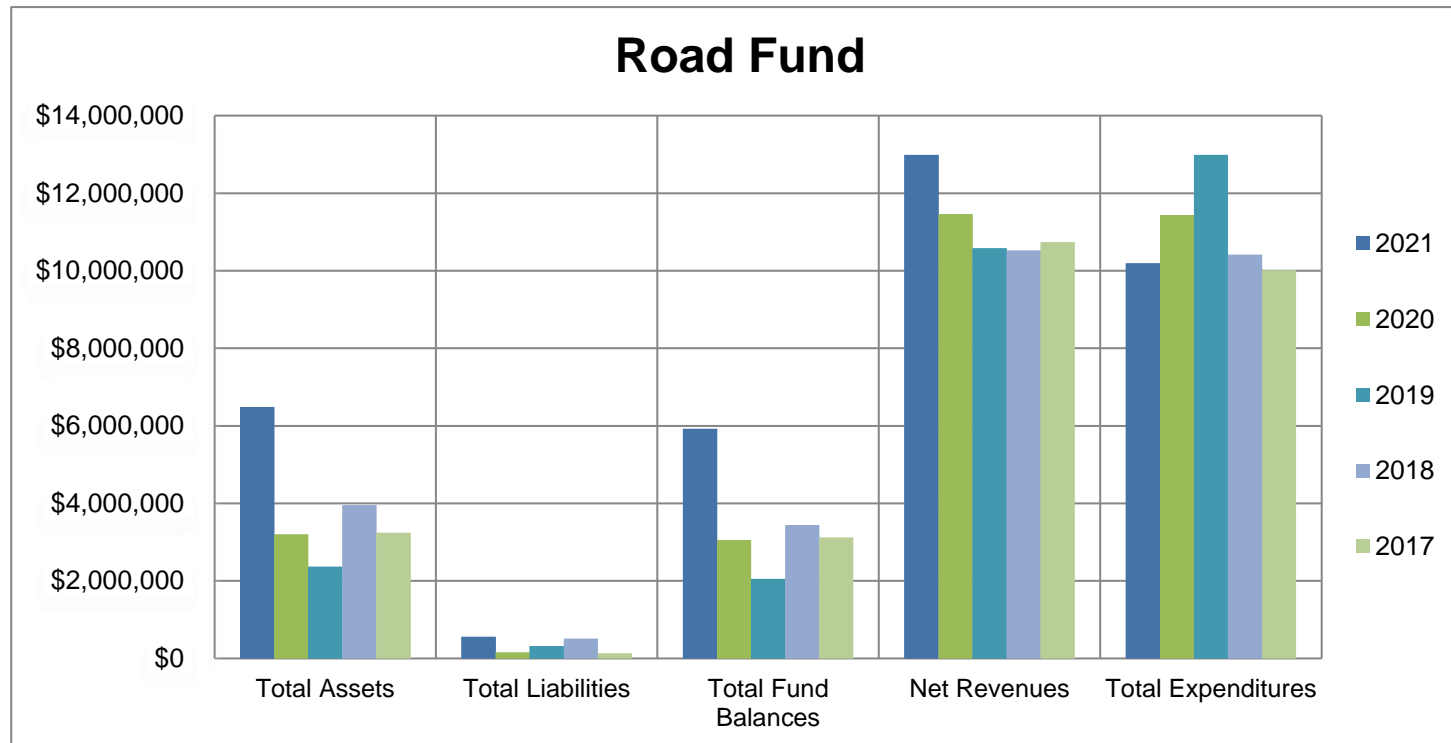
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 32,783,484	\$ 27,258,121	\$ 19,903,259	\$ 19,019,048	\$ 18,822,048
Total Liabilities	685,212	786,964	577,893	390,018	453,949
Total Fund Balances	32,098,272	26,471,157	19,325,366	18,629,030	18,368,099
Net Revenues	37,328,655	37,308,295	31,441,423	29,146,287	28,087,656
Total Expenditures	32,334,792	31,506,929	31,579,670	29,287,950	28,807,788
Total Other Financing Sources/Uses	633,252	1,344,425	834,583	402,594	613,679



WASHINGTON COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
DECEMBER 31, 2021  
(Unaudited)

Schedule 4-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 6,483,532	\$ 3,201,476	\$ 2,362,553	\$ 3,946,037	\$ 3,239,865
Total Liabilities	561,048	152,896	314,927	507,129	125,863
Total Fund Balances	5,922,484	3,048,580	2,047,626	3,438,908	3,114,002
Net Revenues	12,990,187	11,455,830	10,575,224	10,519,355	10,736,790
Total Expenditures	10,188,458	11,437,789	12,983,965	10,414,615	10,003,615
Total Other Financing Sources/Uses	72,175	982,913	1,017,459	220,166	(399,422)



WASHINGTON COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
DECEMBER 31, 2021  
(Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 66,420,521	\$ 39,237,574	\$ 28,529,844	\$ 25,840,993	\$ 27,528,353
Total Liabilities	21,168,464	26,283,996	15,931,786	15,200,447	16,969,421
Total Fund Balances	45,252,057	12,953,578	12,598,058	10,640,546	10,558,932
Net Revenues	73,521,030	31,555,918	24,428,469	23,488,303	21,119,083
Total Expenditures	40,517,124	28,873,060	28,624,444	22,783,929	21,160,767
Total Other Financing Sources/Uses	(705,427)	(2,327,338)	6,153,487	(622,760)	(214,257)

