

Garland County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2018

LEGISLATIVE JOINT AUDITING COMMITTEE



GARLAND COUNTY, ARKANSAS
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Arkansas



Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Garland County, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Garland County, Arkansas, as of December 31, 2018, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Garland County, Arkansas, as of December 31, 2018, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Other Matters

Supplementary and Other Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
August 26, 2019
LOCO02618

Arkansas



Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Garland County, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2019. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

We also reported to management of the County in a separate letter dated August 26, 2019.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT

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

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 26, 2019

Arkansas



Sen. Jason Rapert
Senate Chair
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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Garland County, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2018:

County Judge: Rick Davis
Treasurer: Tim Stockdale
Sheriff: Mike McCormick
Tax Collector: Rebecca Dodd-Talbert
County Clerk: Sarah Smith
Circuit Clerk: Jeannie Pike
Assessor: Shannon Sharp
County Librarian: John Wells

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

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum County 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 that reads "Marti Steel".

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 26, 2019

GARLAND COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 17,450,617	\$ 2,380,307	\$ 74,806,519
Investments			2,707,333
Accounts receivable	1,093,944	42,923	3,036,340
TOTAL ASSETS	\$ 18,544,561	\$ 2,423,230	\$ 80,550,192
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 250,220	\$ 191,705	\$ 1,167,331
Settlements pending	642,742		2,367,561
Total Liabilities	892,962	191,705	3,534,892
Fund Balances:			
Restricted	32,693	2,231,525	76,009,542
Committed			412,051
Assigned	4,525		593,707
Unassigned	17,614,381		
Total Fund Balances	17,651,599	2,231,525	77,015,300
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,544,561	\$ 2,423,230	\$ 80,550,192

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

GARLAND COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 516,386	\$ 3,469,536	\$ 1,224,525
Federal aid	159,344	369,850	467,901
Property taxes	2,504,323	746	2,754,223
Sales taxes	7,391,090		18,728,816
Fines, forfeitures, and costs	174,151		1,429,313
Interest	321,041	24,967	925,405
Officers' fees	221,486		830,485
Franchise fees	239,866		
Insurance premiums collected	108,412		
Oaklawn fees	698,988		
Donations			61,051
Sanitation fees			7,950,225
911 fees			862,274
Commissary sales			242,545
Jail fees	601,638		2,927,570
Net increase (decrease) in the fair value of investments			(83,388)
Treasurer's commission	107,402		100,336
Collector's commission	660,737		317,136
Taxes apportioned - Assessor's salary and expense	1,126,105		
Other	2,102,160	114,001	768,869
TOTAL REVENUES	16,933,129	3,979,100	39,507,286
Less: Treasurer's commission	87,590	23,970	251,649
NET REVENUES	16,845,539	3,955,130	39,255,637
EXPENDITURES			
Current:			
General government	10,139,488		2,307,860
Law enforcement	7,192,125		8,397,102
Highways and streets		5,689,772	5,789,788
Public safety	774,045		1,581,390
Sanitation			9,723,611
Health	64,625		
Recreation and culture			3,374,026
Social services	167,401		
Total Current	18,337,684	5,689,772	31,173,777
Debt Service:			
Bond principal			8,755,000
Bond interest and other charges			1,184,534
TOTAL EXPENDITURES	18,337,684	5,689,772	41,113,311

GARLAND COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,492,145)	\$ (1,734,642)	\$ (1,857,674)
OTHER FINANCING SOURCES (USES)			
Transfers in	749,404	1,750,000	1,275,244
Transfers out	(2,777,222)		(997,426)
TOTAL OTHER FINANCING SOURCES (USES)	(2,027,818)	1,750,000	277,818
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,519,963)	15,358	(1,579,856)
FUND BALANCES - JANUARY 1	21,171,562	2,216,167	78,595,156
FUND BALANCES - DECEMBER 31	\$ 17,651,599	\$ 2,231,525	\$ 77,015,300

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

GARLAND COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATOR BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 513,765	\$ 516,386	\$ 2,621	\$ 3,304,437	\$ 3,469,536	\$ 165,099
Federal aid	190,871	159,344	(31,527)	319,762	369,850	50,088
Property taxes	2,157,000	2,504,323	347,323		746	746
Sales taxes	6,582,973	7,391,090	808,117			
Fines, forfeitures, and costs	85,000	174,151	89,151			
Interest	28,850	321,041	292,191	10,000	24,967	14,967
Officers' fees	172,000	221,486	49,486			
Franchise fees	200,000	239,866	39,866			
Insurance premiums collected	100,000	108,412	8,412			
Oaklawn fees		698,988	698,988			
Jail fees	450,000	601,638	151,638			
Treasurer's commission	248,704	107,402	(141,302)			
Collector's commission	737,835	660,737	(77,098)			
Taxes apportioned - Assessor's salary and expense	1,532,812	1,126,105	(406,707)			
Other	2,348,476	2,102,160	(246,316)	114,526	114,001	(525)
TOTAL REVENUES	15,348,286	16,933,129	1,584,843	3,748,725	3,979,100	230,375
Less: Treasurer's commission		87,590	(87,590)		23,970	(23,970)
NET REVENUES	15,348,286	16,845,539	1,497,253	3,748,725	3,955,130	206,405
EXPENDITURES						
Current:						
General government	11,992,176	10,139,488	1,852,688			
Law enforcement	8,260,594	7,192,125	1,068,469			
Highways and streets				6,185,666	5,689,772	495,894
Public safety	1,243,790	774,045	469,745			
Health	70,000	64,625	5,375			
Social services	171,040	167,401	3,639			
TOTAL EXPENDITURES	21,737,600	18,337,684	3,399,916	6,185,666	5,689,772	495,894

GARLAND COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATOR BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (6,389,314)	\$ (1,492,145)	\$ 4,897,169	\$ (2,436,941)	\$ (1,734,642)	\$ 702,299
OTHER FINANCING SOURCES (USES)						
Transfers in	3,325,444	749,404	(2,576,040)	1,750,000	1,750,000	
Transfers out	(3,289,820)	(2,777,222)	512,598	(26,134)		26,134
TOTAL OTHER FINANCING SOURCES (USES)	35,624	(2,027,818)	(2,063,442)	1,723,866	1,750,000	26,134
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,353,690)	(3,519,963)	2,833,727	(713,075)	15,358	728,433
FUND BALANCES - JANUARY 1	(2,509,874)	21,171,562	23,681,436	155,144	2,216,167	2,061,023
FUND BALANCES - DECEMBER 31	\$ (8,863,564)	\$ 17,651,599	\$ 26,515,163	\$ (557,931)	\$ 2,231,525	\$ 2,789,456

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

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

B. Basis of Presentation - Regulatory Fund Accounting

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

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, 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. The General Fund heading as it appears in the financial statements includes the following accounts: County General, Ouachita Memorial Hospital Sale, and the General Reserve Capital Improvement.

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 and federal aid that are restricted or committed for maintaining and constructing roads.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Road Funds. The following types of funds are included in this column as follows:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

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

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

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

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

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, certificates of deposit, and treasury bills

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, officer's fees, solid waste fees, landfill fees, trust, property taxes and excess commissions that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
3. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15.

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,845,462	\$ 2,847,214
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	39,310,026	39,820,273
U.S. government guaranteed accounts	52,476,668	52,476,668
Total Deposits	\$ 94,632,156	\$ 95,144,155

The above total deposits do not include cash on hand of \$5,287.

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.

GARLAND COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2018 Fair Value
Special Revenue:	
Detention Facility	\$ 2,707,333

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)

The County's investments are composed of the following:

<u>December 31, 2018</u> Investment Type	Quoted Prices in Active Markets for Identical Investments Level I
Federal agency obligations	\$ 2,707,333

The fair value of federated treasury obligations, money market obligations and the cash management fund is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources. As a result, these were classified as Level I inputs.

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid	\$ 2,014		\$ 11,102
Sales taxes	598,901		1,435,498
Fines, forfeitures, and costs	9,248		69,410
Interest	26,198		274,957
Officers' fees	18,435		60,010
Franchise fees	56,873		
Sanitation fees			346,757
911 fees			22,192
Jail fees	36,000		479,342
Other	189,178	\$ 200	40,894
Treasurer's commission charged	157,097	42,723	296,178
Totals	<u>\$ 1,093,944</u>	<u>\$ 42,923</u>	<u>\$ 3,036,340</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 250,220</u>	<u>\$ 191,705</u>	<u>\$ 1,167,331</u>

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7 : Details of Fund Balance Classifications

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Restricted for:			
General government			\$ 1,614,239
Law enforcement			7,953,035
Highways and streets		\$ 2,231,525	
Public safety	\$ 32,693		1,038,435
Sanitation			7,235,815
Recreation and culture			6,599,589
Capital outlay			45,446,598
Debt service			6,121,831
Total Restricted	<u>32,693</u>	<u>2,231,525</u>	<u>76,009,542</u>
Committed for:			
General government			102,867
Law enforcement			309,184
Total Committed			<u>412,051</u>
Assigned to:			
General government	4,525		34,476
Law enforcement			47,866
Public safety			371,118
Debt service			140,247
Total Assigned	<u>4,525</u>		<u>593,707</u>
Unassigned	<u>17,614,381</u>		
Totals	<u>\$ 17,651,599</u>	<u>\$ 2,231,525</u>	<u>\$ 77,015,300</u>

NOTE 8 : 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, 2018, the legal debt limit for bonded debt was \$183,824,520. 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, 2018, the legal debt limit for short-term financing obligations was \$47,459,947. There were no short-term financing obligations.

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 : Commitments

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Long-term liabilities	\$ 47,604,649
Noncancellable leases	225,512
Reappraisal contract	2,840,000
Construction contracts	374,066
 Total Commitments	 \$ 51,044,227

Long-term Liabilities

Long-term liabilities at December 31, 2018 are comprised of the following:

	December 31, 2018
Capital Improvement Refunding Revenue Bonds, Series 2015, for the purpose of refunding Capital Improvement Refunding Revenue Bonds, Series 2008; annual installments of \$220,000 to \$245,000 due May 1 beginning in 2016 through May 2022; interest rate of 2% to 2.25% due May 1 and November 1 beginning November 2015. Payments are to be made from the 2015 Capital Improvement Refunding Revenue Bond Fund.	\$ 945,000
Sales & Use Tax Bond, Series 2016, for the purpose of financing all or a portion of the costs of improvements which consist of new, and improvements to existing roads, streets, and related structures; annual installments of \$280,000 to \$8,225,000 due November 1 beginning in 2017 through November 2024; interest rate of 1.340% to 2.502% due May 1 and November 1 beginning May 2017. Payments are to be made from the 2016 Sales and Use Tax Bond Fund.	45,885,000
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	757,683
Landfill Closure and Postclosure Care Costs	16,966
Total Long-term liabilities	\$ 47,604,649

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

Post Employment Benefits Other Than Pensions

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

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 : Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2018:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2019	\$ 8,832,906
2020	8,832,375
2021	8,830,752
2022	8,833,298
2023	8,586,559
2024	6,640,770
Total Obligations	50,556,660
Less Interest	3,726,660
Total Principal	<u>\$ 46,830,000</u>

Landfill Closure and Postclosure Care Costs

Garland County is the owner of permit # 0300-S4 to operate a Class IV solid waste landfill. State and federal regulations require a final cover to be placed on the landfill site when it stops accepting waste and the performance of certain maintenance and monitoring functions at the site for two years after the closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated liability for the landfill closure and postclosure care costs has a balance of \$16,966 as of December 31, 2018, which is based on 2.90% usage of the landfill. The County will recognize the remaining estimated closure and postclosure care costs of \$568,121 as the remaining estimated capacity is filled. At the present utilization rate, the landfill site has an estimated life expectancy of 40 years.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2018. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In accordance with Arkansas Department of Environmental Quality (ADEQ) Regulation 22, Chapter 14, Garland County has elected to use the Local Governmental Financial Test to demonstrate financial assurance for closure and postclosure care costs. A copy of the financial assurance obligation can be obtained from ADEQ as approved on February 19, 2019.

Noncancellable Lease

The County entered into a noncancellable lease agreement for copy machines, printers, and postage machines. At the end of the lease term, the County may purchase at fair market value. The County is obligated for the following amounts for the next five years:

<u>Year</u>	<u>December 31, 2018</u>
2019	\$ 85,043
2020	58,383
2021	41,463
2022	30,315
2023	10,308
Total	<u>\$ 225,512</u>

Rental expense for 2018 was \$103,919.

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 : Commitments (Continued)

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2018:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2018
4th Floor Courthouse Remodel	March 30, 2019 (completed)	\$ 77,760
Arkansas Wireless Information Network (AWIN)	December 31, 2019 (estimated)	296,306
Total Construction Contracts		<u>\$ 374,066</u>

Reappraisal Contract

The County entered into a contract dated December 19, 2017 with Arkansas CAMA Technology, Inc., for reappraisal services. Terms of the contract required \$3,550,000 to be paid in 60 monthly installments with the first invoice dated February 1, 2018. The County is obligated for the following amounts:

Year	December 31, 2018
2019	\$ 710,000
2020	710,000
2021	710,000
2022	710,000
Total	<u>\$ 2,840,000</u>

NOTE 10: Interfund Transfers

The General Fund transferred \$1,750,000 to the Road Fund and \$1,027,222 to Other Funds in the Aggregate to supplement operations. The Other Funds in the Aggregate transferred \$749,404 to the General Fund for court costs and fines in excess of debt requirements. Within Other Funds in the Aggregate, \$248,022 was transferred for debt service related payments.

NOTE 11: Pledged Revenues

Fines and Court Costs

The County has pledged fines and court costs collected by or through the Hot Springs District Court for the use of the court buildings to repay \$1,615,000 in bonds that were issued in 2015 for the purpose of refunding the 2008 Capital Improvement Refunding Revenue Bonds. Total principal and interest remaining on the bonds are \$945,000 and \$40,394, respectively, payable through May 1, 2022. For 2018, principal and interest paid was \$225,000 and \$21,763, respectively.

The Debt Service Fund received \$967,133 of pledged revenues and transferred \$749,404 and \$248,022, to the General Fund and 2015 Capital Improvement Refunding Revenue Bond Fund, respectively. Pledged revenues received in excess of the debt service requirements for the 2015 bond issue may be used for other county expenditures.

Sales and Use Taxes

The County has pledged future .625% sales and use taxes to repay \$54,695,000 in sales and use tax bonds that were issued in 2016 to provide funding for the cost of new and improvements to existing roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements. Total principal and interest remaining on the bonds are \$45,885,000 and \$3,686,266, respectively, payable through November 1, 2024. For 2018, principal and interest paid were \$8,530,000 and \$1,156,322, respectively.

The Debt Service Fund received \$12,593,598 in sales taxes in 2018. Any sales taxes collected in excess of debt service payments on these bonds is are to be held in the 2016 Sales and Use Tax Bond Debt Service Fund to be used to retire the bond.

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 12 : Joint Venture Eighteenth Judicial District (East) Drug Task Force

The Sheriff of Garland County, the City of Hot Springs Police Chief, and the Prosecuting Attorney of the Eighteenth Judicial District (East) entered into an agreement to establish the Eighteenth Judicial District (East) Drug Task Force. Funding is provided through federal and state grants in addition to contributions from participating entities. Equal shares of matching funds are provided by Garland County and the City of Hot Springs. In 2018, Garland County contributed \$30,000 to the Eighteenth Judicial District (East) Drug Task Force. Separate financial statements for the Eighteenth Judicial District (East) Drug Task Force are not available.

NOTE 13 : Jointly Governed Organization –Southwest Central Regional Solid Waste Management District

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Southwest Central Regional Solid Waste Management District and Board were organized to protect public health and environmental quality for its service area by establishing a regional solid waste management system in Arkansas Counties of Clark, Garland, and Hot Spring. The District's board of directors is composed in accordance with the requirements of the Act and is comprised of representatives of the counties in the District and representatives of all first class cities, of all cities with a population over 2,000, and of the largest city of each county in the District. The County made no contributions to or disbursements on behalf of the Southwest Central Regional Solid Waste Management District in 2018. All financial transactions are between the Southwest Central Regional Solid Waste Management District and the Hot Spring County Solid Waste Authority, Inc. Separate financial statements of the Southwest Central Regional Solid Waste Management District are available at 1000 Central Avenue, Hot Springs, AR, 71903.

NOTE 14 : 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.

The County participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county property.

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 for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). 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 and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

GARLAND COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 14 : Risk Management (Continued)

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

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 15: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2018 (date of APERS Employer Allocation Report) were \$2,263,596.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2018 (actuarial valuation date and measurement date) was \$18,073,335.

GARLAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

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	Library Operations and Maintenance	Library-Non- Tax	Library - First Asset and Investment
ASSETS									
Cash and cash equivalents	\$ 309,766	\$ 702,799	\$ 33,936	\$ 35,975	\$ 88,226	\$ 345,147	\$ 5,516,555	\$ 1,043,049	\$ 53,259
Investments									
Accounts receivable			1,628	404	1,893	64,984	45,768		
TOTAL ASSETS	\$ 309,766	\$ 702,799	\$ 35,564	\$ 36,379	\$ 90,119	\$ 410,131	\$ 5,562,323	\$ 1,043,049	\$ 53,259
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,426	\$ 12,884	\$ 2,503		\$ 500	\$ 4,759	\$ 54,920	\$ 4,122	
Settlements pending									
Total Liabilities	2,426	12,884	2,503		500	4,759	54,920	4,122	
Fund Balances:									
Restricted	307,340	689,915	33,061	\$ 36,379	89,619	405,372	5,507,403	1,038,927	\$ 53,259
Committed									
Assigned									
Total Fund Balances	307,340	689,915	33,061	36,379	89,619	405,372	5,507,403	1,038,927	53,259
TOTAL LIABILITIES AND FUND BALANCES	\$ 309,766	\$ 702,799	\$ 35,564	\$ 36,379	\$ 90,119	\$ 410,131	\$ 5,562,323	\$ 1,043,049	\$ 53,259

GARLAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS									
	Solid Waste	Assessor's Reappraisal Cost	Support Collection Cost	Breathalyzer	Garland County Detention Center Maintenance and Operations	Boating Safety	911 Emergency	Rescue/ Emergency Response/ Law Enforcement Vehicle	Public Defender
ASSETS									
Cash and cash equivalents	\$ 7,422,625	\$ 93,643	\$ 44,553	\$ 9,726	\$ 90,713	\$ 33,795	\$ 1,112,294	\$ 29,714	\$ 35,439
Investments									
Accounts receivable	644,718		406		19,795	35	33,290	1,059	40
TOTAL ASSETS	\$ 8,067,343	\$ 93,643	\$ 44,959	\$ 9,726	\$ 110,508	\$ 33,830	\$ 1,145,584	\$ 30,773	\$ 35,479
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 831,528	\$ 59,167		\$ 108	\$ 2,826		\$ 27,719		\$ 3,658
Settlements pending									
Total Liabilities	831,528	59,167		108	2,826		27,719		3,658
Fund Balances:									
Restricted	7,235,815		\$ 44,959	9,618	107,682	\$ 33,830	801,299	\$ 30,773	
Committed									
Assigned		34,476					316,566		31,821
Total Fund Balances	7,235,815	34,476	44,959	9,618	107,682	33,830	1,117,865	30,773	31,821
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,067,343	\$ 93,643	\$ 44,959	\$ 9,726	\$ 110,508	\$ 33,830	\$ 1,145,584	\$ 30,773	\$ 35,479

GARLAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS

	Case Coordinator	Adult Drug Court	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Detention Facility	Water System	Federal Forest Reserve Title III	Court Cost
ASSETS									
Cash and cash equivalents	\$ 68,349	\$ 8,150	\$ 82,990	\$ 20,610	\$ 19,656	\$ 2,913,238	\$ 102,867	\$ 237,136	\$ 171,360
Investments						2,707,333			
Accounts receivable		130	1,743	188	201	889,618			
TOTAL ASSETS	\$ 68,349	\$ 8,280	\$ 84,733	\$ 20,798	\$ 19,857	\$ 6,510,189	\$ 102,867	\$ 237,136	\$ 171,360
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,287		\$ 1,360			\$ 51,692			\$ 7,627
Settlements pending									
Total Liabilities	1,287		1,360			51,692			7,627
Fund Balances:									
Restricted	67,062	\$ 8,280	83,373	\$ 20,798	\$ 19,857	6,458,497		\$ 237,136	163,733
Committed							\$ 102,867		
Assigned									
Total Fund Balances	67,062	8,280	83,373	20,798	19,857	6,458,497	102,867	237,136	163,733
TOTAL LIABILITIES AND FUND BALANCES	\$ 68,349	\$ 8,280	\$ 84,733	\$ 20,798	\$ 19,857	\$ 6,510,189	\$ 102,867	\$ 237,136	\$ 171,360

GARLAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS									
	Animal Control	Detention Facility Reserve	Sheriff's Commissary	Court Security Grant	Bulletproof Vest Grant	Drug Task Force- Investigator Grant	Selective Traffic Enforcement Project (STEP) Grant	Juvenile Detention Grant In Aid	Victims of Crime Act (VOCA) Program Grant
ASSETS									
Cash and cash equivalents	\$ 257,796	\$ 88,979	\$ 311,695	\$ 49	\$ 2,944	\$ 11,555	\$ 15,659	\$ 28,574	\$ 37,043
Investments									
Accounts receivable	1,495	9,946	20,993			8,097			11,102
TOTAL ASSETS	\$ 259,291	\$ 98,925	\$ 332,688	\$ 49	\$ 2,944	\$ 19,652	\$ 15,659	\$ 28,574	\$ 48,145
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 8,982		\$ 23,504						\$ 2,727
Settlements pending									
Total Liabilities	8,982		23,504						2,727
Fund Balances:									
Restricted	250,309	\$ 98,925		\$ 49	\$ 2,944	\$ 19,652	\$ 10,659	\$ 28,574	45,418
Committed			309,184						
Assigned							5,000		
Total Fund Balances	250,309	98,925	309,184	49	2,944	19,652	15,659	28,574	45,418
TOTAL LIABILITIES AND FUND BALANCES	\$ 259,291	\$ 98,925	\$ 332,688	\$ 49	\$ 2,944	\$ 19,652	\$ 15,659	\$ 28,574	\$ 48,145

GARLAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS		
	State Homeland Security Grant Program	Justice Assistance Grant (JAG)	Communication Facility and Equipment	Road Improvement Construction	Court Cost and Fine	2015 Capital Improvement Refunding Revenue Bond	2016 Sales and Use Tax Bond
ASSETS							
Cash and cash equivalents	\$ 54,552	\$ 29,296	\$ 482,112	\$ 45,248,081	\$ 80,262	\$ 286,024	\$ 4,878,767
Investments							
Accounts receivable			18,741	243,041	59,985	463	956,577
TOTAL ASSETS	\$ 54,552	\$ 29,296	\$ 500,853	\$ 45,491,122	\$ 140,247	\$ 286,487	\$ 5,835,344
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$ 18,251	\$ 257	\$ 44,524			
Settlements pending							
Total Liabilities		18,251	257	44,524			
Fund Balances:							
Restricted			500,596	45,446,598		\$ 286,487	\$ 5,835,344
Committed							
Assigned	\$ 54,552	11,045			\$ 140,247		
Total Fund Balances	54,552	11,045	500,596	45,446,598	140,247	286,487	5,835,344
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,552	\$ 29,296	\$ 500,853	\$ 45,491,122	\$ 140,247	\$ 286,487	\$ 5,835,344

GARLAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

AGENCY FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge	Totals
ASSETS							
Cash and cash equivalents	\$ 204,237	\$ 707,028	\$ 113,087	\$ 254,371	\$ 825,534	\$ 263,304	\$ 74,806,519
Investments							2,707,333
Accounts receivable							3,036,340
TOTAL ASSETS	\$ 204,237	\$ 707,028	\$ 113,087	\$ 254,371	\$ 825,534	\$ 263,304	\$ 80,550,192
LIABILITES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 1,167,331
Settlements pending	\$ 204,237	\$ 707,028	\$ 113,087	\$ 254,371	\$ 825,534	\$ 263,304	2,367,561
Total Liabilities	204,237	707,028	113,087	254,371	825,534	263,304	3,534,892
Fund Balances:							
Restricted							76,009,542
Committed							412,051
Assigned							593,707
Total Fund Balances							77,015,300
TOTAL LIABILITIES AND FUND BALANCES	\$ 204,237	\$ 707,028	\$ 113,087	\$ 254,371	\$ 825,534	\$ 263,304	\$ 80,550,192

GARLAND 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, 2018

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	Library Operations and Maintenance	Library-Non- Tax	Library - First Asset and Investment
REVENUES									
State aid				\$ 31,514			\$ 481,689		
Federal aid									
Property taxes							2,621,843		
Sales taxes									
Fines, forfeitures, and costs			\$ 15,083						
Interest	\$ 3,560	\$ 6,357	487	467	\$ 1,128	\$ 4,536	71,110	\$ 11,741	\$ 27
Officers' fees			873		22,581	755,082			
Donations								61,051	
Sanitation fees									
911 fees									
Commissary sales									
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission	100,336								
Collector's commission		317,136							
Other	5	12			12		95,013	700	
TOTAL REVENUES	103,901	323,505	16,443	31,981	23,721	759,618	3,269,655	73,492	27
Less: Treasurer's commission			111	226	163	5,435	21,051		
NET REVENUES	103,901	323,505	16,332	31,755	23,558	754,183	3,248,604	73,492	27
EXPENDITURES									
Current:									
General government	44,126	212,123		16,400	19,736	747,620			
Law enforcement			16,534						
Highways and streets									
Public safety									
Sanitation									
Recreation and culture							3,305,915	68,111	
Total Current	44,126	212,123	16,534	16,400	19,736	747,620	3,305,915	68,111	
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	44,126	212,123	16,534	16,400	19,736	747,620	3,305,915	68,111	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	59,775	111,382	(202)	15,355	3,822	6,563	(57,311)	5,381	27
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	59,775	111,382	(202)	15,355	3,822	6,563	(57,311)	5,381	27
FUND BALANCES - JANUARY 1	247,565	578,533	33,263	21,024	85,797	398,809	5,564,714	1,033,546	53,232
FUND BALANCES - DECEMBER 31	\$ 307,340	\$ 689,915	\$ 33,061	\$ 36,379	\$ 89,619	\$ 405,372	\$ 5,507,403	\$ 1,038,927	\$ 53,259

GARLAND 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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	Solid Waste	Assessor's Reappraisal Cost	Support Collection Cost	Breathalyzer	Garland County Detention Center Maintenance and Operations	Boating Safety	911 Emergency	Rescue/ Emergency Response/ Law Enforcement Vehicle	Public Defender
REVENUES									
State aid		\$ 545,181				\$ 16,546			\$ 3,097
Federal aid									
Property taxes									
Sales taxes	\$ 1,847,773								
Fines, forfeitures, and costs				\$ 2,856	\$ 241,026	1,742		\$ 15,221	27,334
Interest	99,544		\$ 597	130	1,699	381	\$ 16,894	439	315
Officers' fees			7,038		2,230				
Donations									
Sanitation fees	7,950,225								
911 fees							862,274		
Commissary sales									
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission									
Collector's commission									
Other	227,430					70	31,850		43
TOTAL REVENUES	10,124,972	545,181	7,635	2,986	244,955	18,739	911,018	15,660	30,789
Less: Treasurer's commission	71,426		50		1,749	12	6,226	109	22
NET REVENUES	10,053,546	545,181	7,585	2,986	243,206	18,727	904,792	15,551	30,767
EXPENDITURES									
Current:									
General government		710,000	5,395						
Law enforcement				1,740	320,100	9,932		13,068	51,594
Highways and streets									
Public safety							1,260,237		
Sanitation	9,723,611								
Recreation and culture									
Total Current	9,723,611	710,000	5,395	1,740	320,100	9,932	1,260,237	13,068	51,594
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	9,723,611	710,000	5,395	1,740	320,100	9,932	1,260,237	13,068	51,594
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	329,935	(164,819)	2,190	1,246	(76,894)	8,795	(355,445)	2,483	(20,827)
OTHER FINANCING SOURCES (USES)									
Transfers in		164,820					161,455		30,000
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)		164,820					161,455		30,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	329,935	1	2,190	1,246	(76,894)	8,795	(193,990)	2,483	9,173
FUND BALANCES - JANUARY 1	6,905,880	34,475	42,769	8,372	184,576	25,035	1,311,855	28,290	22,648
FUND BALANCES - DECEMBER 31	<u>\$ 7,235,815</u>	<u>\$ 34,476</u>	<u>\$ 44,959</u>	<u>\$ 9,618</u>	<u>\$ 107,682</u>	<u>\$ 33,830</u>	<u>\$ 1,117,865</u>	<u>\$ 30,773</u>	<u>\$ 31,821</u>

GARLAND 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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	Case Coordinator	Adult Drug Court	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Detention Facility	Water System	Federal Forest Reserve Title III	Court Cost
REVENUES									
State aid									
Federal aid									
Property taxes					\$ 15,725				
Sales taxes						\$ 4,287,445			
Fines, forfeitures, and costs	\$ 73,038	\$ 2,085	\$ 15,650						\$ 68,145
Interest	985	101	1,035	\$ 241	82	13,354	\$ 1,346		2,045
Officers' fees			16,315	5,766		199			
Donations									
Sanitation fees									
911 fees									
Commissary sales									
Jail fees						2,741,945			
Net increase (decrease) in the fair value of investments						(11,039)			
Treasurer's commission									
Collector's commission									
Other				56		96,706			99
TOTAL REVENUES	74,023	2,186	33,000	6,063	15,807	7,128,610	1,346		70,289
Less: Treasurer's commission		17	235	43	113	136,023			
NET REVENUES	74,023	2,169	32,765	6,020	15,694	6,992,587	1,346		70,289
EXPENDITURES									
Current:									
General government				836					
Law enforcement	77,762	1,448	22,089			6,821,743			45,818
Highways and streets									
Public safety								\$ 92,545	
Sanitation									
Recreation and culture									
Total Current	77,762	1,448	22,089	836		6,821,743		92,545	45,818
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	77,762	1,448	22,089	836		6,821,743		92,545	45,818
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,739)	721	10,676	5,184	15,694	170,844	1,346	(92,545)	24,471
OTHER FINANCING SOURCES (USES)									
Transfers in						125,000		126,651	
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)						125,000		126,651	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,739)	721	10,676	5,184	15,694	295,844	1,346	34,106	24,471
FUND BALANCES - JANUARY 1	70,801	7,559	72,697	15,614	4,163	6,162,653	101,521	203,030	139,262
FUND BALANCES - DECEMBER 31	<u>\$ 67,062</u>	<u>\$ 8,280</u>	<u>\$ 83,373</u>	<u>\$ 20,798</u>	<u>\$ 19,857</u>	<u>\$ 6,458,497</u>	<u>\$ 102,867</u>	<u>\$ 237,136</u>	<u>\$ 163,733</u>

GARLAND 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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	Animal Control	Detention Facility Reserve	Sheriff's Commissary	Court Security Grant	Bulletproof Vest Grant	Drug Task Force- Investigator Grant	Selective Traffic Enforcement Project (STEP) Grant	Juvenile Detention Grant In Aid	Victims of Crime Act (VOCA) Program Grant
REVENUES									
State aid				\$ 5,941				\$ 28,574	
Federal aid							\$ 40,830		\$ 72,639
Property taxes	\$ 116,655								
Sales taxes									
Fines, forfeitures, and costs									
Interest	2,655	\$ 84,995	\$ 4,229						
Officers' fees									
Donations									
Sanitation fees									
911 fees									
Commissary sales			242,545						
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission									
Collector's commission									
Other			206,976			\$ 52,347			
TOTAL REVENUES	119,310	84,995	453,750	5,941		52,347	40,830	28,574	72,639
Less: Treasurer's commission	839	610	1,743						
NET REVENUES	118,471	84,385	452,007	5,941		52,347	40,830	28,574	72,639
EXPENDITURES									
Current:									
General government									
Law enforcement	20,350	19,857	457,011	5,892	\$ 10,414	54,450	83,625	5,360	134,238
Highways and streets									
Public safety									
Sanitation									
Recreation and culture									
Total Current	20,350	19,857	457,011	5,892	10,414	54,450	83,625	5,360	134,238
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	20,350	19,857	457,011	5,892	10,414	54,450	83,625	5,360	134,238
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	98,121	64,528	(5,004)	49	(10,414)	(2,103)	(42,795)	23,214	(61,599)
OTHER FINANCING SOURCES (USES)									
Transfers in							5,000		18,472
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)							5,000		18,472
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	98,121	64,528	(5,004)	49	(10,414)	(2,103)	(37,795)	23,214	(43,127)
FUND BALANCES - JANUARY 1	152,188	34,397	314,188		13,358	21,755	53,454	5,360	88,545
FUND BALANCES - DECEMBER 31	\$ 250,309	\$ 98,925	\$ 309,184	\$ 49	\$ 2,944	\$ 19,652	\$ 15,659	\$ 28,574	\$ 45,418

GARLAND 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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	State Homeland Security Grant Program	Juvenile Court Accountability Grant	Arkansas Historical Preservation Project (AHPP) Grant	Justice Assistance Grant (JAG)	Hazard Mitigation Assistance Grant	Juvenile Accountability Block Grant	eCrash/eCite System Grant	Mountain Valley Community Block Grant	Morfe Windows, LLC Community Block Grant
REVENUES									
State aid			\$ 100,000			\$ 11,983			
Federal aid	\$ 23,451				\$ 9,349		\$ 58,132	\$ 4,500	\$ 259,000
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest									
Officers' fees									
Donations									
Sanitation fees									
911 fees									
Commissary sales									
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission									
Collector's commission									
Other	935					33			
TOTAL REVENUES	24,386		100,000		9,349	12,016	58,132	4,500	259,000
Less: Treasurer's commission									
NET REVENUES	24,386		100,000		9,349	12,016	58,132	4,500	259,000
EXPENDITURES									
Current:									
General government			288,124					4,500	259,000
Law enforcement		\$ 9,497		\$ 50,685		26,094	85,511		
Highways and streets									
Public safety	193,804				34,801				
Sanitation									
Recreation and culture									
Total Current	193,804	9,497	288,124	50,685	34,801	26,094	85,511	4,500	259,000
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	193,804	9,497	288,124	50,685	34,801	26,094	85,511	4,500	259,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(169,418)	(9,497)	(188,124)	(50,685)	(25,452)	(14,078)	(27,379)		
OTHER FINANCING SOURCES (USES)									
Transfers in	145,970		188,124	61,730					
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)	145,970		188,124	61,730					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(23,448)	(9,497)		11,045	(25,452)	(14,078)	(27,379)		
FUND BALANCES - JANUARY 1	78,000	9,497			25,452	14,078	27,379		
FUND BALANCES - DECEMBER 31	\$ 54,552	\$ 0	\$ 0	\$ 11,045	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

GARLAND 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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUNDS		Totals
	Fountain Lake Volunteer Fire Department	Communication Facility and Equipment	Road Improvement Construction	Court Cost and Fine	2015 Capital Improvement Refunding Revenue Bond	
REVENUES						
State aid						\$ 1,224,525
Federal aid						467,901
Property taxes						2,754,223
Sales taxes						18,728,816
Fines, forfeitures, and costs				\$ 967,133		1,429,313
Interest		\$ 1,810	\$ 482,499		\$ 3,794	106,822
Officers' fees		20,401				830,485
Donations						61,051
Sanitation fees						7,950,225
911 fees						862,274
Commissary sales						242,545
Jail fees		185,625				2,927,570
Net increase (decrease) in the fair value of investments			(72,349)			(83,388)
Treasurer's commission						100,336
Collector's commission						317,136
Other				56,582		768,869
TOTAL REVENUES		207,836	410,150	1,023,715	3,794	39,507,286
Less: Treasurer's commission				5,446		251,649
NET REVENUES		207,836	410,150	1,018,269	3,794	39,255,637
EXPENDITURES						
Current:						
General government						2,307,860
Law enforcement		52,290				8,397,102
Highways and streets			5,789,788			5,789,788
Public safety	\$ 3					1,581,390
Sanitation						9,723,611
Recreation and culture						3,374,026
Total Current	3	52,290	5,789,788			31,173,777
Debt Service:						
Bond principal					225,000	8,530,000
Bond interest and other charges					23,212	1,161,322
TOTAL EXPENDITURES	3	52,290	5,789,788		248,212	41,113,311
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3)	155,546	(5,379,638)	1,018,269	(244,418)	3,009,098
OTHER FINANCING SOURCES (USES)						
Transfers in					248,022	1,275,244
Transfers out				(997,426)		(997,426)
TOTAL OTHER FINANCING SOURCES (USES)				(997,426)	248,022	277,818
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3)	155,546	(5,379,638)	20,843	3,604	3,009,098
FUND BALANCES - JANUARY 1	3	345,050	50,826,236	119,404	282,883	2,826,246
FUND BALANCES - DECEMBER 31	\$ 0	\$ 500,596	\$ 45,446,598	\$ 140,247	\$ 286,487	\$ 5,835,344

GARLAND COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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 automated records system.
Library Operations and Maintenance	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.
Library-Non- Tax	Established to receive donations to the Library and interest earned on certificates of deposit held by the Library.
Library - First Asset and Investment	Established to receive donations to the Library and interest earned on treasury bills and treasury notes held by the Library.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on a fee schedule contained in an ordinance. Garland County Ordinance no. O-78-17 (May 22, 1979) as amended by Garland County Ordinance no. O-91-07 (March 11, 1991) established fund to receive sanitation fees to be used for the collection and disposal of solid waste.
Assessor's Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Support Collection Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

GARLAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.
Garland County Detention Center Maintenance and Operations	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Boating Safety	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.
911 Emergency	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Rescue/ Emergency Response/ Law Enforcement Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Public Defender	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.
Case Coordinator	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Adult Drug Court	Ark. Code Ann. § 16-98-304 and Garland County Ordinance no. 0-13-78 (November 25, 2013) 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.
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.

GARLAND COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Detention Facility	Garland County Ordinance no. O-13-64 (October 14, 2013) authorizes an Interlocal Detention Services Agreement between Garland County and the City of Hot Springs. The Interlocal Detention Services Agreement allows a 0.375% sales and use tax to be utilized for the operation and maintenance of the Garland County Detention Facility and to pay the costs of housing county and city prisoners.
Water System	Garland County Ordinance no. O-14-65 (September 8, 2014) established fund to receive transfer from Ouachita Memorial Hospital Sale Fund and to track expenses associated with performing studies and for attorney/engineering fees pertaining to the studies of a proposed water system.
Federal Forest Reserve Title III	Garland County Ordinance no. O-05-42 (October 19, 2005) established the fund to receive funds from the USDA Forest Service to be used for certain types of public projects identified in the Secure Rural School and Community Self-Determination Act of 2000.
Court Cost	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used to defray a part of the expense of the administration of justice.
Animal Control	Garland County Ordinance no. O-18-10 (February 12, 2018) established the fund to receive funds to be used to pay for vouchers to spay and neuter animals in Garland County and related costs.
Detention Facility Reserve	Garland County Ordinance. no. O-18-05 (February 12, 2018) established fund to maintain the detention facility. This fund is supported by investment and interest revenue from the Detention Facility Fund investments.
Sheriff's Commissary	Garland County Ordinance no. O-08-54 (August 8, 2007) established the fund to receive funds from the inmate commissary with funds to be used to operate the inmate commissary and other law enforcement expenses as authorized by appropriation.
Court Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
Bulletproof Vest Grant	Garland County Ordinance no. O-09-38 (August 10, 2009) established fund to receive federal grant funds for bulletproof vests.
Drug Task Force- Investigator Grant	Garland County Ordinance no. O-14-17 (March 10, 2014) established to receive a state grant from the Department of Finance and Administration State Drug Crime Enforcement Fund to fund 80% of the salary for a Drug Task Force Investigator position within the Garland County Prosecuting Attorney's Office.

GARLAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Selective Traffic Enforcement Project (STEP) Grant	Garland County Ordinance no. O-16-66 (September 12, 2016) established fund to receive a grant from the Arkansas State Police Commission for law enforcement expenditures.
Juvenile Detention Grant In Aid	Garland County Ordinance no. O-15-65 (September 24, 2015) established to receive a grant from the Department of Finance and Administration for law enforcement expenditures.
Victims of Crime Act (VOCA) Program Grant	Garland County Ordinance no. O-15-66 (October 12, 2015) established to receive a grant from the Department of Finance and Administration for the Garland County Prosecuting Attorney office expenditures.
State Homeland Security Grant Program	Garland County Ordinance no. O-15-67 (October 12, 2015) established to receive a grant from the Department of Emergency Management for the purchase of machinery and equipment.
Juvenile Court Accountability Grant	Garland County Ordinance no. O-16-11 (February 8, 2016) established fund to receive a grant from the Arkansas Community Correction and the Administrative Office for improvements to the Garland County Juvenile Drug Court.
Arkansas Historical Preservation Project (AHPP) Grant	Garland County Ordinance no. O-16-48 (July 11, 2016) established fund to receive a grant from the Arkansas Historical Preservation Grant Program to help clear certain fire code violations and allow for opening the fourth floor of the Courthouse for office space.
Justice Assistance Grant (JAG)	Garland County Ordinance no. O-16-67 (September 12, 2016) established fund to receive a federal grant for law enforcement expenditures.
Hazard Mitigation Assistance Grant	Garland County Ordinance no. O-16-76 (October 10, 2016) established fund to receive a grant from the Hazard Mitigation Assistance Grant Program for public safety expenditures.
Juvenile Accountability Block Grant	Garland County Ordinance no. O-17-33 (June 12, 2017) established the fund to account for funds received from the Arkansas Department of Human Services / Division of Youth Services and the Arkansas Coalition for Juvenile Justice.
eCrash/eCite System Grant	Garland County Ordinance no. O-17-59 (November 27, 2017) established the fund to receive funds from the Arkansas State Police eCrash/eCite system grant.
Mountain Valley Community Block Grant	Garland County Ordinance no. O-17-61 (November 27, 2017) established the fund to receive a grant from the Arkansas Community and Economic Development Program (ACEDP) for equipment acquisition by Mountain Valley Spring Water.

GARLAND COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Morfe Windows, LLC Community Block Grant	Garland County Ordinance no. O-18-08 (February 13, 2018) established the fund to receive a grant from the Arkansas Community and Economic Development Program.
Fountain Lake Volunteer Fire Department	Garland County Ordinance no. O-16-33 (May 9, 2016) established fund to receive a grant from the Arkansas Economic Rural Development Commission to provide for fire department equipment.
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.
Road Improvement Construction	Garland County Ordinance no. O-16-80 (October 24, 2016) authorized the issuance of sales and use tax bonds for the purpose of financing all or a portion of the cost of new and improvements to existing roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements.
Court Cost and Fine	Garland County Ordinance no. O-15-09 (March 9, 2015) established fund to account for monthly court costs and fine revenues pledged for the retirement of the 2015 Capital Improvement Refunding Revenue Bonds. Monthly transfers are made to the 2015 Capital Improvement Refunding Revenue Bond Fund to provide necessary funding for current debt service obligations, trustee's fees, and expenses. Any surplus funds remaining may be used for any lawful purpose.
2015 Capital Improvement Refunding Revenue Bond	Garland County Ordinance no. O-15-09 (March 9, 2015) established fund for the purpose of providing funds for the payment of principal and interest on the bond issue.
2016 Sales and Use Tax Bond	Garland County Ordinance no. O-16-80 (October 24, 2016) authorized the issuance of sales and use tax bonds for the purpose of financing all or a portion of the cost of new and improvements to existing roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements. This fund to provide for the payment of principal of and interest on Sales and Use Tax Bonds, Series 2016.

Treasurer's accounts consist primarily of interest not distributed to the appropriate entities and revenues held for other entities.

Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units and Solid Waste House-to-House fees collected through property tax billing not yet distributed to the Treasurer.

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

GARLAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

Fund Name

Fund Description

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

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

County Judge's accounts consist of landfill fees not yet distributed to the Treasurer.

GARLAND COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2018
(Unaudited)

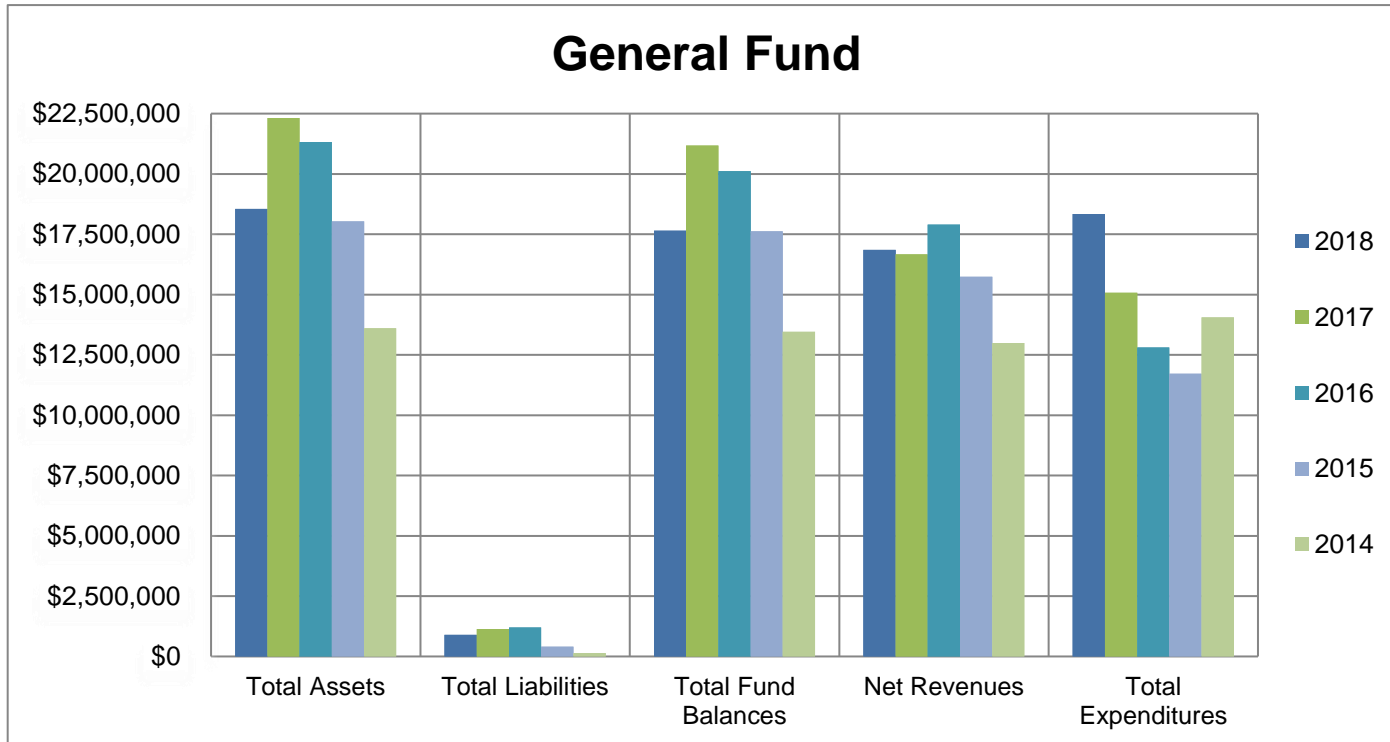
Schedule 3

	<u>December 31, 2018</u>
Land	\$ 3,898,114
Buildings	64,410,449
Construction in Progress	227,751
Equipment	24,449,256
Improvements	<u>3,116,040</u>
Total	<u>\$ 96,101,610</u>

GARLAND COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 4-1

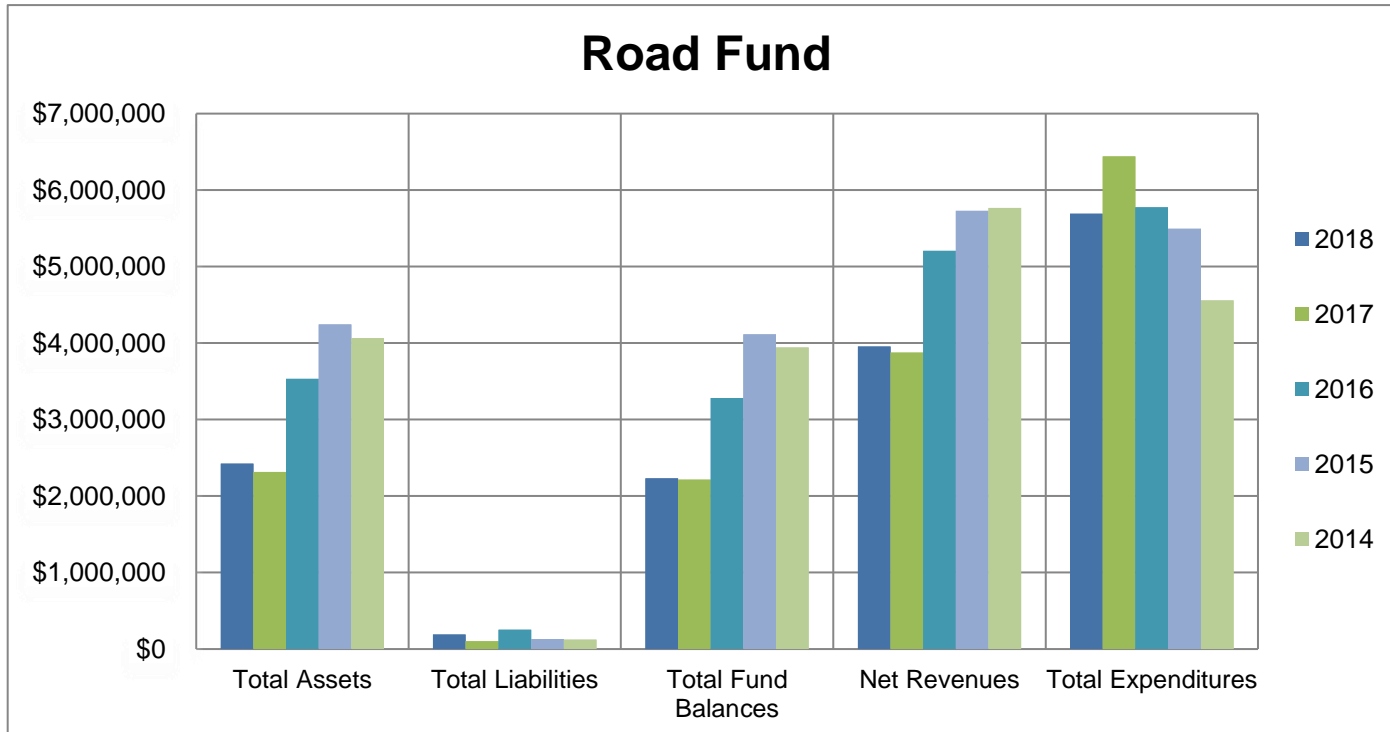
<u>General</u>	2018	2017	2016	2015	2014
Total Assets	\$ 18,544,561	\$ 22,312,826	\$ 21,325,455	\$ 18,038,893	\$ 13,605,560
Total Liabilities	892,962	1,141,264	1,206,461	411,424	145,987
Total Fund Balances	17,651,599	21,171,562	20,118,994	17,627,469	13,459,573
Net Revenues	16,845,539	16,672,193	17,894,287	15,741,706	12,997,924
Total Expenditures	18,337,684	15,070,797	12,800,337	11,719,811	14,053,016
Total Other Financing Sources/Uses	(2,027,818)	(548,828)	349,992	274,993	1,406,142



GARLAND COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 4-2

<u>Road</u>	2018	2017	2016	2015	2014
Total Assets	\$ 2,423,230	\$ 2,316,288	\$ 3,533,105	\$ 4,243,376	\$ 4,064,297
Total Liabilities	191,705	100,121	252,132	129,425	122,358
Total Fund Balances	2,231,525	2,216,167	3,280,973	4,113,951	3,941,939
Net Revenues	3,955,130	3,876,833	5,207,848	5,730,301	5,767,421
Total Expenditures	5,689,772	6,441,639	5,774,477	5,495,897	4,556,509
Total Other Financing Sources/Uses	1,750,000	1,500,000	2,511		(130,528)



GARLAND COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2018	2017	2016	2015	2014
Total Assets	\$ 80,550,192	\$ 83,064,092	\$ 81,708,153	\$ 34,874,003	\$ 37,220,095
Total Liabilities	3,534,892	4,468,936	3,432,771	3,393,611	5,276,031
Total Fund Balances	77,015,300	78,595,156	78,275,382	31,480,392	31,944,064
Net Revenues	39,255,637	29,488,019	30,065,589	32,519,013	31,155,785
Total Expenditures	41,113,311	28,217,073	40,160,030	36,882,609	52,476,428
Total Other Financing Sources/Uses	277,818	(951,172)	56,907,649	3,841,167	1,487,337

