

Garland County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



GARLAND COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Independent Auditor's Report
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*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

Arkansas



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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, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Garland County, Arkansas, as of December 31, 2019, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Garland County, Arkansas, as of December 31, 2019, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Emphasis of Matter

As discussed in Note 13 to the financial statements, in 2019, the County adopted new revenue recognition policies mandated by Ark. Code Ann. § 14-71-101. The law requires sales taxes be recognized in the year received by the County. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
August 27, 2020
LOCO2619

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, 2019, and the related notes to the financial statements, and have issued our report thereon dated August 27, 2020. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We also reported to management of the County in a separate letter dated August 27, 2020.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 27, 2020

Arkansas



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

Rep. Richard Womack
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

County Judge: Daryl Mahoney
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 (retired 11/24/19)
Adam Webb (hired 11/24/19)

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

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

ARKANSAS LEGISLATIVE AUDIT

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

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 27, 2020

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 18,641,385	\$ 3,331,550	\$ 52,933,888
Investments			2,463,502
Accounts receivable	459,479	144,625	1,629,725
Interfund receivables			32,253
TOTAL ASSETS	\$ 19,100,864	\$ 3,476,175	\$ 57,059,368
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 430,282	\$ 256,473	\$ 1,051,822
Interfund payables	32,253		
Settlements pending	666,169		4,509,718
Total Liabilities	1,128,704	256,473	5,561,540
Fund Balances:			
Restricted		1,219,702	50,393,630
Committed			412,549
Assigned	4,475	2,000,000	692,113
Unassigned	17,967,685		(464)
Total Fund Balances	17,972,160	3,219,702	51,497,828
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,100,864	\$ 3,476,175	\$ 57,059,368

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, 2019

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,109,227	\$ 3,544,909	\$ 1,122,653
Federal aid	176,903	381,706	250,867
Property taxes	2,595,511	420	2,828,574
Sales taxes	7,192,584		17,239,829
Fines, forfeitures, and costs	125,835		1,425,239
Interest	353,607	46,587	1,753,505
Officers' fees	226,064		852,977
Jail fees	527,583		3,293,178
Franchise fees	219,611		
Insurance premiums collected	104,780		
Oaklawn fees	669,817		
Sanitation fees			8,003,370
911 fees			837,842
Donations			50,830
Net increase (decrease) in the fair value of investments			36,169
Commissary sales			250,040
Treasurer's commission	276,593		104,751
Collector's commission	756,271		328,376
Taxes apportioned - Assessor's salary and expense	1,140,641		3,083
Other	1,387,813	174,373	603,685
TOTAL REVENUES	16,862,840	4,147,995	38,984,968
Less: Treasurer's commission	94,811	24,850	182,245
NET REVENUES	16,768,029	4,123,145	38,802,723
EXPENDITURES			
Current:			
General government	6,054,974		1,774,744
Law enforcement	8,060,962		8,799,957
Highways and streets		5,134,968	27,235,017
Public safety	693,799		1,404,712
Sanitation			9,013,526
Health	66,961		
Recreation and culture			3,202,215
Social services	167,374		
Total Current	15,044,070	5,134,968	51,430,171
Debt Service:			
Bond principal			11,270,000
Bond interest and other charges			1,023,422
TOTAL EXPENDITURES	15,044,070	5,134,968	63,723,593

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,723,959</u>	<u>\$ (1,011,823)</u>	<u>\$ (24,920,870)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	999,275	2,000,000	893,116
Transfers out	<u>(2,402,673)</u>	<u> </u>	<u>(1,489,718)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,403,398)</u>	<u>2,000,000</u>	<u>(596,602)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	320,561	988,177	(25,517,472)
FUND BALANCES - JANUARY 1,	<u>17,651,599</u>	<u>2,231,525</u>	<u>77,015,300</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 17,972,160</u></u>	<u><u>\$ 3,219,702</u></u>	<u><u>\$ 51,497,828</u></u>

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 ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 515,000	\$ 1,109,227	\$ 594,227	\$ 3,405,000	\$ 3,544,909	\$ 139,909
Federal aid	191,428	176,903	(14,525)	356,000	381,706	25,706
Property taxes	2,203,000	2,595,511	392,511		420	420
Sales taxes		7,192,584	7,192,584			
Fines, forfeitures, and costs	115,000	125,835	10,835			
Interest	42,000	353,607	311,607	10,000	46,587	36,587
Officers' fees	178,000	226,064	48,064			
Jail fees	460,000	527,583	67,583			
Franchise fees	200,000	219,611	19,611			
Insurance premiums collected	100,000	104,780	4,780			
Oaklawn fees		669,817	669,817			
Treasurer's commission	259,879	276,593	16,714			
Collector's commission	834,558	756,271	(78,287)			
Taxes apportioned - Assessor's salary and expense	1,477,560	1,140,641	(336,919)			
Other	2,192,951	1,387,813	(805,138)	57,954	174,373	116,419
TOTAL REVENUES	8,769,376	16,862,840	8,093,464	3,828,954	4,147,995	319,041
Less: Treasurer's commission		94,811	(94,811)		24,850	(24,850)
NET REVENUES	8,769,376	16,768,029	7,998,653	3,828,954	4,123,145	294,191
EXPENDITURES						
Current:						
General government	7,704,962	6,054,974	1,649,988			
Law enforcement	8,811,305	8,060,962	750,343			
Highways and streets				6,130,424	5,134,968	995,456
Public safety	1,263,222	693,799	569,423			
Health	70,000	66,961	3,039			
Social services	172,189	167,374	4,815			
TOTAL EXPENDITURES	18,021,678	15,044,070	2,977,608	6,130,424	5,134,968	995,456

GARLAND COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (9,252,302)	\$ 1,723,959	\$ 10,976,261	\$ (2,301,470)	\$ (1,011,823)	\$ 1,289,647
OTHER FINANCING SOURCES (USES)						
Transfers in	3,866,200	999,275	(2,866,925)	2,048,500	2,000,000	(48,500)
Transfers out	(3,054,030)	(2,402,673)	651,357	(28,000)		28,000
TOTAL OTHER FINANCING SOURCES (USES)	812,170	(1,403,398)	(2,215,568)	2,020,500	2,000,000	(20,500)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,440,132)	320,561	8,760,693	(280,970)	988,177	1,269,147
FUND BALANCES - JANUARY 1,	6,064,608	17,651,599	11,586,991	1,341,506	2,231,525	890,019
FUND BALANCES - DECEMBER 31	<u>\$ (2,375,524)</u>	<u>\$ 17,972,160</u>	<u>\$ 20,347,684</u>	<u>\$ 1,060,536</u>	<u>\$ 3,219,702</u>	<u>\$ 2,159,166</u>

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. 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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds 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.

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, 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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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.

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.

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

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)	\$ 2,964,520	\$ 2,965,877
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	44,623,338	45,792,826
U.S. government guaranteed accounts	27,123,300	27,123,300
Uncollateralized	190,428	327,807
Total Deposits	\$ 74,901,586	\$ 76,209,810

The above total deposits do not include cash on hand of \$5,237.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2019, \$327,807 of the County's bank balances of \$76,209,810 was exposed to custodial credit risk.

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: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2019 Fair Value
Special Revenue:	
Detention Facility	\$ 2,412,170
Detention Facility Reserve	51,332
Totals	\$ 2,463,502

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.)

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

NOTE 4: Public Fund Investments (Continued)

- **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, 2019</u>	Quoted Prices in Active Markets for Identical Investments Level I
<u>Investment Type</u>	
Federal agency obligations	<u>\$ 2,463,502</u>

The fair value of federated treasury obligation 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.

NOTE 5: Accounts Receivable

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

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
State aid	\$ 1,735		
Federal aid			\$ 6,606
Property taxes	1,715		2,195
Fines, forfeitures, and costs	10,995		63,008
Interest	26,198		24,740
Officers' fees	19,432		80,246
Jail fees	68,778		540,216
Franchise fees	54,949		
Sanitation fees			368,461
911 fees			176,464
Other	110,051	\$ 101,214	76,039
Treasurer's commission charged	165,626	43,411	291,750
Totals	<u>\$ 459,479</u>	<u>\$ 144,625</u>	<u>\$ 1,629,725</u>

NOTE 6: Accounts Payable

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

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Vendor payables	<u>\$ 430,282</u>	<u>\$ 256,473</u>	<u>\$ 1,051,822</u>

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

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2019	
	Interfund Receivables	Interfund Payables
General Fund		\$ 32,253
Other Funds in the Aggregate:		
Special Revenue Funds:		
Garland County Detention Center Maintenance and Operations	\$ 4,457	
911 Emergency	27,796	
Totals	\$ 32,253	\$ 32,253

Interfund receivables and payables consist of interfund loans. These balances were repaid on February 21, 2020.

NOTE 8: Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,856,787
Law enforcement			7,881,711
Highways and streets		\$ 1,219,702	
Public safety			539,973
Sanitation			8,279,196
Recreation and culture			6,809,684
Capital outlay			19,404,293
Debt service			5,621,986
Total Restricted		1,219,702	50,393,630
Committed for:			
General government			104,624
Law enforcement			307,925
Total Committed			412,549
Assigned to:			
General government	\$ 4,475		34,476
Law enforcement			80,887
Highways and streets		2,000,000	
Public safety			493,005
Debt service			83,745
Total Assigned	4,475	2,000,000	692,113
Unassigned	17,967,685		(464)
Totals	\$ 17,972,160	\$ 3,219,702	\$ 51,497,828

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

NOTE 9: Deficit Fund Balances

The following fund has a deficit fund balances as of December 31, 2019:

	December 31, 2019
Other Funds in the Aggregate:	
Special Revenue Funds:	
Juvenile Detention Grant In Aid	\$ (464)

NOTE 10: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2019, the legal debt limit for bonded debt was \$189,344,699. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2019, the legal debt limit for short-term financing obligations was \$48,933,965. There were no short-term financing obligations.

NOTE 11: Commitments

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

	December 31, 2019
Long-term liabilities	\$ 36,339,078
Noncancellable leases	182,134
Reappraisal contract	2,130,000
Construction contracts	480,037
Total Commitments	\$ 39,131,249

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

NOTE 11: Commitments (Continued)

Long-term Liabilities

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

	December 31, 2019
<u>Bonds</u>	
Capital Improvement Refunding Revenue Bonds, Series 2015, dated April 14, 2015, in the amount of \$1,615,000 due in 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.	\$ 715,000
Sales & Use Tax Bond, Series 2016, dated December 1, 2016, in the amount of \$54,695,000, due in 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.	34,845,000
Total Bonds	35,560,000
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	770,523
Landfill closure and postclosure care costs	8,555
Total Long-term liabilities	\$ 36,339,078

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

The County's outstanding bonds payable of \$715,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 25% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The County's outstanding bonds payable of \$34,845,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

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, 2019

NOTE 11: Commitments (Continued)

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 \$8,555 as of December 31, 2019, which is based on 1.44% usage of the landfill. The County will recognize the remaining estimated closure and postclosure care costs of \$585,829 as the remaining estimated capacity is filled. At the present utilization rate, the landfill site has an estimated life expectancy of 76 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, 2019. 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, 2020.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2019	Maturities to December 31, 2019
<u>Bonds</u>					
4/14/15	5/1/22	2-2.25%	\$ 1,615,000	\$ 715,000	\$ 900,000
12/1/16	11/1/24	1.34-2.502%	54,695,000	34,845,000	19,850,000
Total Bonds			<u>\$ 56,310,000</u>	<u>\$ 35,560,000</u>	<u>\$ 20,750,000</u>

Changes in Long-Term Debt

	Balance January 1, 2019	Retired	Balance December 31, 2019
Bonds payable	<u>\$ 46,830,000</u>	<u>\$ 11,270,000</u>	<u>\$ 35,560,000</u>

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

NOTE 11: Commitments (Continued)

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds		
	Principal	Interest	Total
2020	\$ 7,940,000	\$ 809,025	\$ 8,749,025
2021	8,100,000	647,221	8,747,221
2022	8,280,000	469,949	8,749,949
2023	8,225,000	242,210	8,467,210
2024	3,015,000	72,420	3,087,420
Totals	<u>\$ 35,560,000</u>	<u>\$ 2,240,825</u>	<u>\$ 37,800,825</u>

Noncancellable Lease

The County entered into noncancellable lease agreements 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:

Year	December 31, 2019
2020	\$ 64,257
2021	51,382
2022	42,121
2023	22,863
2024	1,511
Total	<u>\$ 182,134</u>

Rental expense for 2019 was \$91,864.

County-Wide Reappraisal Contract

The County entered into a contract dated December 19, 2017, with Arkansas CAMA Technology, Inc., for a county-wide reappraisal. Terms of the contract require \$3,550,000 to be paid in monthly payments of 59,167 for 60 months beginning February 1, 2018. Contract expense for 2019 was \$710,000.

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

Year	December 31, 2019
2020	\$ 710,000
2021	710,000
2022	710,000
Total	<u>\$ 2,130,000</u>

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

NOTE 11: Commitments (Continued)

Construction Contracts

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

<u>Project Name</u>	<u>Completed or Estimated Completion Date</u>	<u>Contract Balance December 31, 2019</u>
Courthouse Exterior Restoration	December 2020	\$ 178,001
Asbestos Abatement for Armory	January 2020	2,480
Arkansas Wireless Information Network	December 2020	299,556
Total Construction Contracts		<u>\$ 480,037</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$2,000,000 to the Road Fund and \$402,673 to Other Funds in the Aggregate to supplement operations. The Other Funds in the Aggregate transferred \$999,275 to the General Fund for correction of prior year error, grant reimbursements, court costs and fines in excess of debt requirements. Within Other Funds in the Aggregate, \$243,552 was transferred for debt service related payments, and \$246,891 for court costs and fines in excess of debt requirements.

NOTE 13: Change in Accounting Policy

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

NOTE 14: Subsequent Events

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the County is uncertain.

NOTE 15: 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 \$715,000 and \$23,181, respectively, payable through May 1, 2022. For 2019, principal and interest paid were \$230,000 and \$17,213, respectively.

The Debt Service Fund received \$980,709 of pledged revenues and transferred \$836,559 and \$246,891, to the General Fund and the 2015 Capital Improvement Refunding Revenue Bond Fund, respectively. Pledged revenues received in excess of debt service payments on these bonds is permitted to be used for other county expenditures.

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

NOTE 15: Pledged Revenues (Continued)

Sales and Use Taxes

The County 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 \$34,845,000 and \$2,217,644, respectively, payable through November 1, 2024. For 2019, principal and interest paid were \$11,040,000 and \$999,660, respectively.

The Debt Service Fund received \$11,400,713 in sales taxes in 2019. Any sales taxes collected in excess of debt service payments on these bonds are to be held in the 2016 Sales and Use Tax Bond Debt Service Fund to be used to retire the bond.

NOTE 16: 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 2019, 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 17: 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 2019. 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 18: Risk Management

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

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

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

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

NOTE 18: Risk Management (Continued)

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.

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 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.

The County has acquired additional insurance policies pertaining to the library as follows: Library Directors and Officers Liability, Library Employment Practices Liability, and Library Commercial General Liability, policy limits are \$1,000,000 per occurrence. In addition, the County has acquired Library Museum Liability, \$100,000 per occurrence.

The County also acquired renter's and contents insurance for the Public Defender's office, policy limit of \$300,000.

NOTE 19: Arkansas Public Employees Retirement System

Plan Description

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

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

NOTE 19: Arkansas Public Employees Retirement System (Continued)

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2019 (date of APERS Employer Allocation Report) were \$2,416,799.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$19,888,101.

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library	Solid Waste	Assessor's Reappraisal Cost
ASSETS									
Cash and cash equivalents	\$ 360,138	\$ 834,871	\$ 32,689	\$ 63,926	\$ 95,684	\$ 340,646	\$ 6,927,188	\$ 8,121,428	\$ 34,476
Investments									
Accounts receivable			1,363	557	1,761	68,164	42,554	547,900	
Interfund receivables									
TOTAL ASSETS	\$ 360,138	\$ 834,871	\$ 34,052	\$ 64,483	\$ 97,445	\$ 408,810	\$ 6,969,742	\$ 8,669,328	\$ 34,476
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 7,665	\$ 5,285	\$ 15,494		\$ 40	\$ 2,945	\$ 160,058	\$ 390,132	
Settlements pending									
Total Liabilities	7,665	5,285	15,494		40	2,945	160,058	390,132	
Fund Balances:									
Restricted	352,473	829,586	18,558	\$ 64,483	97,405	405,865	6,809,684	8,279,196	
Committed									
Assigned									\$ 34,476
Unassigned									
Total Fund Balances	352,473	829,586	18,558	64,483	97,405	405,865	6,809,684	8,279,196	34,476
TOTAL LIABILITIES AND FUND BALANCES	\$ 360,138	\$ 834,871	\$ 34,052	\$ 64,483	\$ 97,445	\$ 408,810	\$ 6,969,742	\$ 8,669,328	\$ 34,476

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Support Collection Cost	Breathalyzer	Garland County Detention Center Maintenance and Operations	Boating Safety	911 Emergency	Rescue / Emergency Response / Law Enforcement Vehicle	Public Defender	Case Coordinator (Victim/Witness)	Adult Drug Court
ASSETS									
Cash and cash equivalents	\$ 48,165	\$ 10,858	\$ 32,704	\$ 41,460	\$ 868,079	\$ 32,168	\$ 52,720	\$ 72,809	\$ 10,495
Investments									
Accounts receivable	574		19,117	124	185,166	1,142	39		445
Interfund receivables			4,457		27,796				
TOTAL ASSETS	\$ 48,739	\$ 10,858	\$ 56,278	\$ 41,584	\$ 1,081,041	\$ 33,310	\$ 52,759	\$ 72,809	\$ 10,940
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 1,520		\$ 60,063		\$ 7,572	\$ 767	\$ 50
Settlements pending									
Total Liabilities			1,520		60,063		7,572	767	50
Fund Balances:									
Restricted	\$ 48,739	\$ 10,858	50,301	\$ 41,584	527,973	\$ 33,310		72,042	10,890
Committed									
Assigned			4,457		493,005		45,187		
Unassigned									
Total Fund Balances	48,739	10,858	54,758	41,584	1,020,978	33,310	45,187	72,042	10,890
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,739	\$ 10,858	\$ 56,278	\$ 41,584	\$ 1,081,041	\$ 33,310	\$ 52,759	\$ 72,809	\$ 10,940

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

Schedule 1

SPECIAL REVENUE FUNDS

	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Detention Facility	Water System	Court Cost	Animal Control	Detention Facility Reserve
ASSETS								
Cash and cash equivalents	\$ 93,535	\$ 24,230	\$ 17,722	\$ 3,688,037	\$ 104,624	\$ 164,171	\$ 333,273	\$ 103,935
Investments				2,412,170				51,332
Accounts receivable	4,596	16,142	108	605,696			1,425	10,341
Interfund receivables								
TOTAL ASSETS	\$ 98,131	\$ 40,372	\$ 17,830	\$ 6,705,903	\$ 104,624	\$ 164,171	\$ 334,698	\$ 165,608
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 324			\$ 100,271		\$ 2,376	\$ 3,769	\$ 1,432
Settlements pending								
Total Liabilities	324			100,271		2,376	3,769	1,432
Fund Balances:								
Restricted	97,807	\$ 40,372	\$ 17,830	6,605,632		161,795	330,929	164,176
Committed					\$ 104,624			
Assigned								
Unassigned								
Total Fund Balances	97,807	40,372	17,830	6,605,632	104,624	161,795	330,929	164,176
TOTAL LIABILITIES AND FUND BALANCES	\$ 98,131	\$ 40,372	\$ 17,830	\$ 6,705,903	\$ 104,624	\$ 164,171	\$ 334,698	\$ 165,608

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

Schedule 1

SPECIAL REVENUE FUNDS

	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	Justice Assistance Grant (JAG)
ASSETS								
Cash and cash equivalents	\$ 309,991	\$ 49	\$ 7,404	\$ 14,434	\$ 33,358	\$ 2,918	\$ 24,492	\$ 5,023
Investments								
Accounts receivable	26,001			2,253			6,606	
Interfund receivables								
TOTAL ASSETS	<u>\$ 335,992</u>	<u>\$ 49</u>	<u>\$ 7,404</u>	<u>\$ 16,687</u>	<u>\$ 33,358</u>	<u>\$ 2,918</u>	<u>\$ 31,098</u>	<u>\$ 5,023</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 28,067					\$ 3,382	\$ 2,700	
Settlements pending								
Total Liabilities	<u>28,067</u>					<u>3,382</u>	<u>2,700</u>	
Fund Balances:								
Restricted		\$ 49	\$ 7,404	\$ 16,687	\$ 7,138		28,398	
Committed	307,925							
Assigned					26,220			\$ 5,023
Unassigned						(464)		
Total Fund Balances	<u>307,925</u>	<u>49</u>	<u>7,404</u>	<u>16,687</u>	<u>33,358</u>	<u>(464)</u>	<u>28,398</u>	<u>5,023</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 335,992</u>	<u>\$ 49</u>	<u>\$ 7,404</u>	<u>\$ 16,687</u>	<u>\$ 33,358</u>	<u>\$ 2,918</u>	<u>\$ 31,098</u>	<u>\$ 5,023</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS		
	Mountain Valley Community Block Grant	Garland County Teen Court Grant	Juvenile Court Incentive Program Grant	Jessieville Volunteer Fire Department	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	\$ 34	\$ 1,290	\$ 1,000	\$ 12,000	\$ 207,994	\$ 19,651,760	\$ 25,606	\$ 288,873	\$ 5,327,913
Investments									
Accounts receivable					14,007	10,305	58,139	293	4,907
Interfund receivables									
TOTAL ASSETS	\$ 34	\$ 1,290	\$ 1,000	\$ 12,000	\$ 222,001	\$ 19,662,065	\$ 83,745	\$ 289,166	\$ 5,332,820
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 138				\$ 257,772			
Settlements pending									
Total Liabilities		<u>138</u>				<u>257,772</u>			
Fund Balances:									
Restricted	\$ 34	1,152	\$ 1,000	\$ 12,000	\$ 222,001	19,404,293		\$ 289,166	\$ 5,332,820
Committed									
Assigned							\$ 83,745		
Unassigned									
Total Fund Balances	<u>34</u>	<u>1,152</u>	<u>1,000</u>	<u>12,000</u>	<u>222,001</u>	<u>19,404,293</u>	<u>83,745</u>	<u>289,166</u>	<u>5,332,820</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 34	\$ 1,290	\$ 1,000	\$ 12,000	\$ 222,001	\$ 19,662,065	\$ 83,745	\$ 289,166	\$ 5,332,820

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

Schedule 1

CUSTODIAL FUNDS							
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 140,517	\$ 827,149	\$ 156,709	\$ 255,650	\$ 2,840,387	\$ 289,306	\$ 52,933,888
Investments							2,463,502
Accounts receivable							1,629,725
Interfund receivables							32,253
TOTAL ASSETS	\$ 140,517	\$ 827,149	\$ 156,709	\$ 255,650	\$ 2,840,387	\$ 289,306	\$ 57,059,368
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 1,051,822
Settlements pending	\$ 140,517	\$ 827,149	\$ 156,709	\$ 255,650	\$ 2,840,387	\$ 289,306	4,509,718
Total Liabilities	140,517	827,149	156,709	255,650	2,840,387	289,306	5,561,540
Fund Balances:							
Restricted							50,393,630
Committed							412,549
Assigned							692,113
Unassigned							(464)
Total Fund Balances							51,497,828
TOTAL LIABILITIES AND FUND BALANCES	\$ 140,517	\$ 827,149	\$ 156,709	\$ 255,650	\$ 2,840,387	\$ 289,306	\$ 57,059,368

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library	Solid Waste	Assessor's Reappraisal Cost
REVENUES									
State aid				\$ 43,783			\$ 471,648		\$ 545,181
Federal aid									
Property taxes							2,708,056		
Sales taxes								\$ 1,798,146	
Fines, forfeitures, and costs			\$ 18,113						
Interest	\$ 5,517	\$ 9,848	592	1,040	\$ 1,553	\$ 5,980	114,506	120,787	
Officers' fees					22,960	765,245			
Jail fees									
Sanitation fees								8,003,370	
911 fees									
Donations							50,830		
Net increase (decrease) in the fair value of investments									
Commissary sales									
Treasurer's commission	104,751								
Collector's commission		328,376							
Taxes apportioned - Assessor's salary and expense							3,083		
Other	198	10				2	87,290	208,148	
TOTAL REVENUES	110,466	338,234	18,705	44,823	24,513	771,227	3,435,413	10,130,451	545,181
Less: Treasurer's commission			134	319	168	5,549	23,103	73,544	
NET REVENUES	110,466	338,234	18,571	44,504	24,345	765,678	3,412,310	10,056,907	545,181
EXPENDITURES									
Current:									
General government	65,333	198,563		16,400	16,559	765,185			710,000
Law enforcement			33,074						
Highways and streets									
Public safety									
Sanitation								9,013,526	
Recreation and culture							3,202,215		
Total Current	65,333	198,563	33,074	16,400	16,559	765,185	3,202,215	9,013,526	710,000
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	65,333	198,563	33,074	16,400	16,559	765,185	3,202,215	9,013,526	710,000
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	45,133	139,671	(14,503)	28,104	7,786	493	210,095	1,043,381	(164,819)
OTHER FINANCING SOURCES (USES)									
Transfers in									164,819
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									164,819
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	45,133	139,671	(14,503)	28,104	7,786	493	210,095	1,043,381	
FUND BALANCES - JANUARY 1	307,340	689,915	33,061	36,379	89,619	405,372	6,599,589	7,235,815	34,476
FUND BALANCES - DECEMBER 31	<u>\$ 352,473</u>	<u>\$ 829,586</u>	<u>\$ 18,558</u>	<u>\$ 64,483</u>	<u>\$ 97,405</u>	<u>\$ 405,865</u>	<u>\$ 6,809,684</u>	<u>\$ 8,279,196</u>	<u>\$ 34,476</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Support Collection Cost	Breathalyzer	Garland County Detention Center Maintenance and Operations	Boating Safety	911 Emergency	Rescue / Emergency Response / Law Enforcement Vehicle	Public Defender	Case Coordinator (Victim Witness)	Adult Drug Court
REVENUES									
State aid				\$ 13,820			\$ 3,069		
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 2,856	\$ 217,791	1,995		\$ 14,039	27,284	\$ 73,022	\$ 3,860
Interest	\$ 808	187	945	621	\$ 17,675	599	581	1,223	147
Officers' fees	5,589		2,603						
Jail fees									
Sanitation fees									
911 fees					837,842				
Donations									
Net increase (decrease) in the fair value of investments									
Commissary sales									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other					10,752			136	
TOTAL REVENUES	6,397	3,043	221,339	16,436	866,269	14,638	30,934	74,381	4,007
Less: Treasurer's commission	40		1,607	14	4,981	101	22		26
NET REVENUES	6,357	3,043	219,732	16,422	861,288	14,537	30,912	74,381	3,981
EXPENDITURES									
Current:									
General government	2,577								
Law enforcement		1,803	277,113	8,668		12,000	47,546	69,401	1,371
Highways and streets									
Public safety					1,134,614				
Sanitation									
Recreation and culture									
Total Current	2,577	1,803	277,113	8,668	1,134,614	12,000	47,546	69,401	1,371
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	2,577	1,803	277,113	8,668	1,134,614	12,000	47,546	69,401	1,371
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,780	1,240	(57,381)	7,754	(273,326)	2,537	(16,634)	4,980	2,610
OTHER FINANCING SOURCES (USES)									
Transfers in			4,457		176,439		30,000		
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)			4,457		176,439		30,000		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,780	1,240	(52,924)	7,754	(96,887)	2,537	13,366	4,980	2,610
FUND BALANCES - JANUARY 1	44,959	9,618	107,682	33,830	1,117,865	30,773	31,821	67,062	8,280
FUND BALANCES - DECEMBER 31	\$ 48,739	\$ 10,858	\$ 54,758	\$ 41,584	\$ 1,020,978	\$ 33,310	\$ 45,187	\$ 72,042	\$ 10,890

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	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	Animal Control	Detention Facility Reserve
REVENUES									
State aid				\$ 2,028					
Federal aid									
Property taxes			\$ 8,518					\$ 112,000	
Sales taxes				4,040,970					
Fines, forfeitures, and costs	\$ 17,425						\$ 68,145		
Interest	1,479	\$ 382	327	25,238	\$ 1,757		2,931	4,840	\$ 87,318
Officers' fees	16,965	19,343		50					
Jail fees				3,063,051					
Sanitation fees									
911 fees									
Donations									
Net increase (decrease) in the fair value of investments				37,250					(1,081)
Commissary sales									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other				10,608			1,003		
TOTAL REVENUES	35,869	19,725	8,845	7,179,195	1,757		72,079	116,840	86,237
Less: Treasurer's commission	229	24	62	53,817				815	633
NET REVENUES	35,640	19,701	8,783	7,125,378	1,757		72,079	116,025	85,604
EXPENDITURES									
Current:									
General government		127							
Law enforcement	21,206			7,221,795			74,017	35,405	20,353
Highways and streets									
Public safety						\$ 237,136			
Sanitation									
Recreation and culture									
Total Current	21,206	127		7,221,795		237,136	74,017	35,405	20,353
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	21,206	127		7,221,795		237,136	74,017	35,405	20,353
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,434	19,574	8,783	(96,417)	1,757	(237,136)	(1,938)	80,620	65,251
OTHER FINANCING SOURCES (USES)									
Transfers in				243,552					
Transfers out			(10,810)						
TOTAL OTHER FINANCING SOURCES (USES)			(10,810)	243,552					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	14,434	19,574	(2,027)	147,135	1,757	(237,136)	(1,938)	80,620	65,251
FUND BALANCES - JANUARY 1	83,373	20,798	19,857	6,458,497	102,867	237,136	163,733	250,309	98,925
FUND BALANCES - DECEMBER 31	\$ 97,807	\$ 40,372	\$ 17,830	\$ 6,605,632	\$ 104,624	\$ 0	\$ 161,795	\$ 330,929	\$ 164,176

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

Schedule 2

	SPECIAL REVENUE FUNDS									
	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	Crime Act (VOCA) Program Grant	State Homeland Security Grant Program	Justice Assistance Grant (JAG)	Mountain Valley Community Block Grant
REVENUES										
State aid						\$ 28,574				
Federal aid			\$ 5,006		\$ 49,360		\$ 71,151	\$ 125,316		\$ 34
Property taxes										
Sales taxes										
Fines, forfeitures, and costs										
Interest	\$ 5,323									
Officers' fees										
Jail fees										
Sanitation fees										
911 fees										
Donations										
Net increase (decrease) in the fair value of investments										
Commissary sales	250,040									
Treasurer's commission										
Collector's commission										
Taxes apportioned - Assessor's salary and expense										
Other	172,501			\$ 51,561						
TOTAL REVENUES	427,864		5,006	51,561	49,360	28,574	71,151	125,316		34
Less: Treasurer's commission	1,820									
NET REVENUES	426,044		5,006	51,561	49,360	28,574	71,151	125,316		34
EXPENDITURES										
Current:										
General government										
Law enforcement	427,303		6,284	54,526	47,881	57,612	88,171		\$ 6,022	
Highways and streets										
Public safety								32,962		
Sanitation										
Recreation and culture										
Total Current	427,303		6,284	54,526	47,881	57,612	88,171	32,962	6,022	
Debt Service:										
Bond principal										
Bond interest and other charges										
TOTAL EXPENDITURES	427,303		6,284	54,526	47,881	57,612	88,171	32,962	6,022	
EXCESS OF REVENUES OVER (UNDER)										
EXPENDITURES	(1,259)		(1,278)	(2,965)	1,479	(29,038)	(17,020)	92,354	(6,022)	34
OTHER FINANCING SOURCES (USES)										
Transfers in			5,738		21,220					
Transfers out					(5,000)			(146,906)		
TOTAL OTHER FINANCING SOURCES (USES)			5,738		16,220			(146,906)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)										
EXPENDITURES AND OTHER USES	(1,259)		4,460	(2,965)	17,699	(29,038)	(17,020)	(54,552)	(6,022)	34
FUND BALANCES - JANUARY 1	309,184	\$ 49	2,944	19,652	15,659	28,574	45,418	54,552	11,045	
FUND BALANCES - DECEMBER 31	<u>\$ 307,925</u>	<u>\$ 49</u>	<u>\$ 7,404</u>	<u>\$ 16,687</u>	<u>\$ 33,358</u>	<u>\$ (464)</u>	<u>\$ 28,398</u>	<u>\$ 0</u>	<u>\$ 5,023</u>	<u>\$ 34</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL	DEBT SERVICE FUNDS			Totals
	Garland County Teen Court Grant	Juvenile Court Incentive Program Grant	Jessieville Volunteer Fire Department	Communication Facility and Equipment	PROJECTS FUND Road Improvement Construction	Court Cost and Fine	2015 Capital Improvement Refunding Revenue Bond	2016 Sales and Use Tax Bond	
REVENUES									
State aid	\$ 1,550	\$ 1,000	\$ 12,000						\$ 1,122,653
Federal aid									250,867
Property taxes									2,828,574
Sales taxes								\$ 11,400,713	17,239,829
Fines, forfeitures, and costs						\$ 980,709			1,425,239
Interest				\$ 2,616	\$ 1,192,712		\$ 4,450	141,523	1,753,505
Officers' fees				20,222					852,977
Jail fees				230,127					3,293,178
Sanitation fees									8,003,370
911 fees									837,842
Donations									50,830
Net increase (decrease) in the fair value of investments									36,169
Commissary sales									250,040
Treasurer's commission									104,751
Collector's commission									328,376
Taxes apportioned - Assessor's salary and expense									3,083
Other								61,476	603,685
TOTAL REVENUES	1,550	1,000	12,000	252,965	1,192,712	1,042,185	4,450	11,542,236	38,984,968
Less: Treasurer's commission						15,237			182,245
NET REVENUES	1,550	1,000	12,000	252,965	1,192,712	1,026,948	4,450	11,542,236	38,802,723
EXPENDITURES									
Current:									
General government									1,774,744
Law enforcement	398			288,008					8,799,957
Highways and streets					27,235,017				27,235,017
Public safety									1,404,712
Sanitation									9,013,526
Recreation and culture									3,202,215
Total Current	398			288,008	27,235,017				51,430,171
Debt Service:									
Bond principal							230,000	11,040,000	11,270,000
Bond interest and other charges							18,662	1,004,760	1,023,422
TOTAL EXPENDITURES	398			288,008	27,235,017		248,662	12,044,760	63,723,593
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	1,152	1,000	12,000	(35,043)	(26,042,305)	1,026,948	(244,212)	(502,524)	(24,920,870)
OTHER FINANCING SOURCES (USES)									
Transfers in							246,891		893,116
Transfers out				(243,552)		(1,083,450)			(1,489,718)
TOTAL OTHER FINANCING SOURCES (USES)				(243,552)		(1,083,450)	246,891		(596,602)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	1,152	1,000	12,000	(278,595)	(26,042,305)	(56,502)	2,679	(502,524)	(25,517,472)
FUND BALANCES - JANUARY 1				500,596	45,446,598	140,247	286,487	5,835,344	77,015,300
FUND BALANCES - DECEMBER 31	\$ 1,152	\$ 1,000	\$ 12,000	\$ 222,001	\$ 19,404,293	\$ 83,745	\$ 289,166	\$ 5,332,820	\$ 51,497,828

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate automated records system.
County 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 (Treasurer's Account). Established to receive donations to the Library and interest earned on certificates of deposit held by the Library (Non-Tax Account). Established to receive donations to the Library and interest earned on treasury bills and treasury notes held by the Library (First Asset & Investment Account).
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.
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, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2019

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

<u>Fund Name</u>	<u>Fund Description</u>
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 (Victim/Witness)	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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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, 2019

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.
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.
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 Teen Court Grant	Garland County Ordinance no. O-19-22 (May 6, 2019) established fund to receive a grant from the Arkansas Community Foundation to support the teen court program, expenditures are for law enforcement.
Juvenile Court Incentive Program Grant	Garland County Ordinance no. O-19-55 (December 9, 2019) established fund to receive a grant from the Arkansas Community Foundation to support the juvenile court incentive program, expenditures are for law enforcement.
Jessieville Volunteer Fire Department	Garland County Ordinance no. O-20-02 (January 13, 2020) established fund retroactively to receive a Arkansas Rural Community Grant 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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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 property taxes, treasurer's commission, collector's commission, and interest not distributed to the appropriate agencies.

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

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

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

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

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, 2019
(Unaudited)

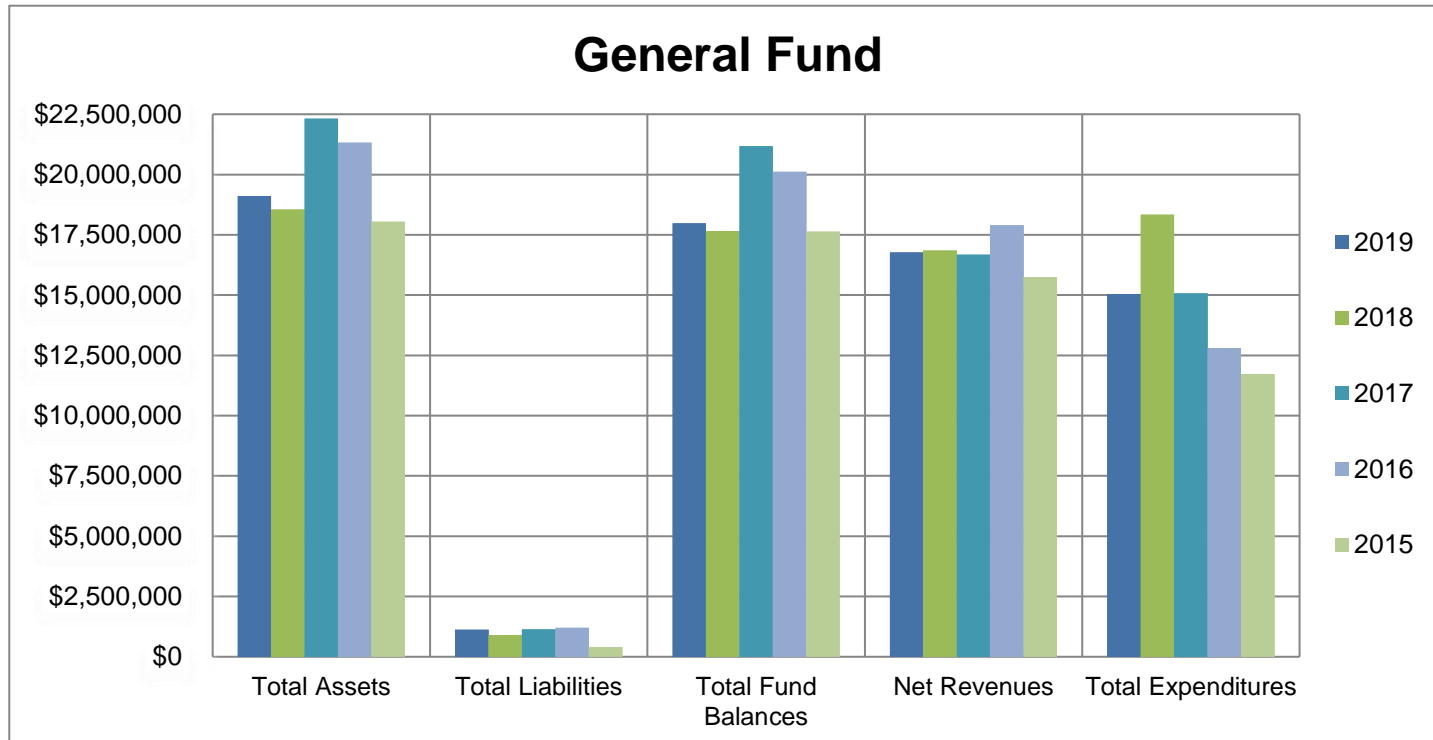
Schedule 3

	<u>December 31, 2019</u>
Land	\$ 3,898,114
Buildings	64,718,799
Equipment	24,231,207
Improvements	<u>3,152,076</u>
Total	<u><u>\$ 96,000,196</u></u>

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

Schedule 4-1

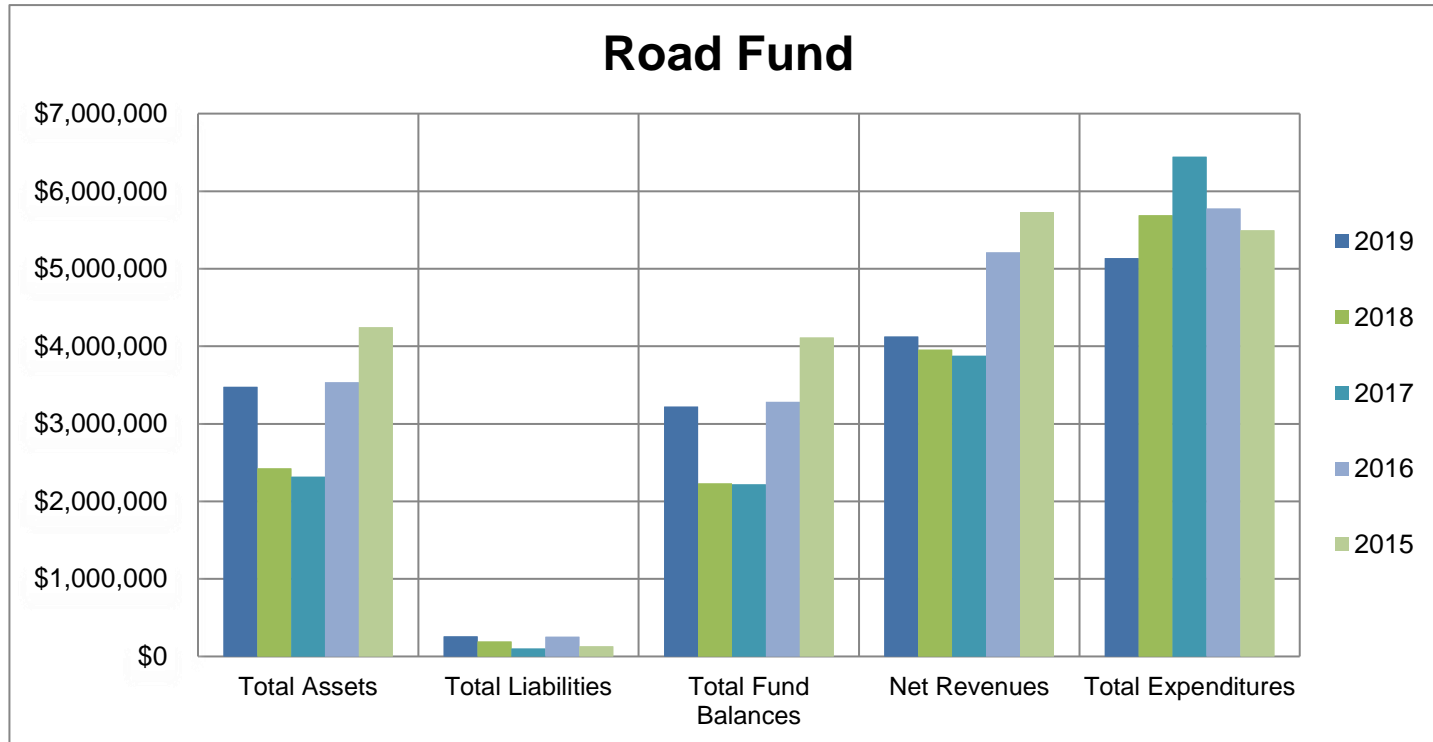
General	2019	2018	2017	2016	2015
Total Assets	\$ 19,100,864	\$ 18,544,561	\$ 22,312,826	\$ 21,325,455	\$ 18,038,893
Total Liabilities	1,128,704	892,962	1,141,264	1,206,461	411,424
Total Fund Balances	17,972,160	17,651,599	21,171,562	20,118,994	17,627,469
Net Revenues	16,768,029	16,845,539	16,672,193	17,894,287	15,741,706
Total Expenditures	15,044,070	18,337,684	15,070,797	12,800,337	11,719,811
Total Other Financing Sources/Uses	(1,403,398)	(2,027,818)	(548,828)	349,992	274,993



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

Schedule 4-2

<u>Road</u>	2019	2018	2017	2016	2015
Total Assets	\$ 3,476,175	\$ 2,423,230	\$ 2,316,288	\$ 3,533,105	\$ 4,243,376
Total Liabilities	256,473	191,705	100,121	252,132	129,425
Total Fund Balances	3,219,702	2,231,525	2,216,167	3,280,973	4,113,951
Net Revenues	4,123,145	3,955,130	3,876,833	5,207,848	5,730,301
Total Expenditures	5,134,968	5,689,772	6,441,639	5,774,477	5,495,897
Total Other Financing Sources/Uses	2,000,000	1,750,000	1,500,000	2,511	



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2019	2018	2017	2016	2015
Total Assets	\$ 57,059,368	\$ 80,550,192	\$ 83,064,092	\$ 81,708,153	\$ 34,874,003
Total Liabilities	5,561,540	3,534,892	4,468,936	3,432,771	3,393,611
Total Fund Balances	51,497,828	77,015,300	78,595,156	78,275,382	31,480,392
Net Revenues	38,802,723	39,255,637	29,488,019	30,065,589	32,519,013
Total Expenditures	63,723,593	41,113,311	28,217,073	40,160,030	36,882,609
Total Other Financing Sources/Uses	(596,602)	277,818	(951,172)	56,907,649	3,841,167

