

GARLAND COUNTY, ARKANSAS
Schedule of Expenditures of Federal Awards

For the Year Ended
December 31, 2020

Garland County, Arkansas

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(1936-2016)

Report under AU-C Section 805, Special Considerations: Audits of Single Financial Statements and Specified Elements, Accounts, or Items of a Financial Statement

Independent Auditor's Report

Garland County, Arkansas
Officials and Quorum Court Members
Hot Springs, Arkansas

Report on Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of Garland County, Arkansas (the "County"), for the year ended December 31, 2020, and the related notes (the financial statement).

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America.; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

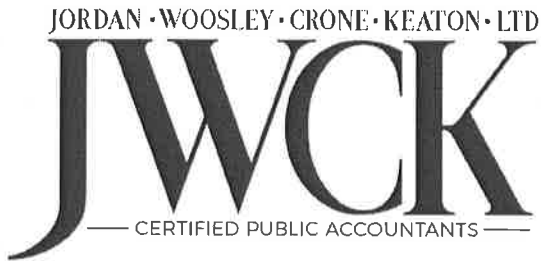
Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the County for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

JWCK, Ltd

Hot Springs, Arkansas

July 20, 2021



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Report on Compliance for the Major Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

Garland County, Arkansas
Officials and Quorum Court Members
Hot Springs, Arkansas

Report on Compliance for the Major Federal Program

We have audited Garland County, Arkansas's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2020. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the County's major federal program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

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Opinion on Compliance for the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

JWCK, Ltd

Hot Springs, Arkansas
July 20, 2021

Garland County, Arkansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA #	Direct Awards	Pass- through Awards	Total
U. S. Department of Agriculture-passed through Arkansas State Treasurer – Schools and Roads – Grants to States Title 1 and Title III-Schools and Roads Grants to States Cluster	10.665		<u>\$ 29,976</u>	<u>\$29,976</u>
Total for Forest Service Schools and Roads Cluster			<u>29,976</u>	<u>29,976</u>
U.S. Department of Agriculture-passed through Arkansas Dept. of Human Services-National Food Service Administration and Staffing Grant	10.587		16,348	16,348
U.S. Department of Defense-passed through State Aid to Counties-Emergency Rehabilitation of Flood Control Works	12.102		35,425	35,425
U.S. Department of Justice-Bulletproof Vest Partnership	16.607	\$ 14,542		14,542
U. S. Department of Justice passed through State of Arkansas Department of Finance and Administration – Edward Byrne Memorial Justice Assistance Grant	16.738		25,189	25,189
U.S. Department of Justice-passed through the Arkansas Dept. of Finance & Administration-Crime Victim Assistance	16.575		72,707	72,707
National Endowment for the Arts-Passed through the Arkansas Arts Council-Promotion of the Arts, Grants to Organizations and Individuals	45.024		720	720

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Garland County, Arkansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020 (continued)

Federal Grantor/Pass Through Agency/Program Title	Federal CFDA #	Direct Awards	Pass-Through Awards	Total
U.S. Department of Justice-passed through Arkansas Department of Finance and Administration-Project Safe Neighborhoods	16.609		\$ 16,000	\$ 16,000
U.S. Department of Transportation-passed through Arkansas State Police-National Priority Safety Programs-Highway Safety Cluster and State and Community Highway Safety Total for Highway Safety Cluster	20.600/20.616		<u>37,063</u> 37,063	<u>37,063</u> 37,063
U. S. Department of Homeland Security – passed through Arkansas Department of Emergency Management: Emergency Management Performance Grants	97.042		37,327	37,327
U. S. Department of Housing and Urban Development passed through Arkansas Economic Development Commission– Community Development Block Grants	14.228		305,987	305,987
U.S. Department of the Treasury-passed through the Arkansas Department of Finance and Administration-COVID-19 Federal Coronavirus Relief Funds-CARES Act.	21.019		2,354,678	2,354,678
U.S. Department of Justice-COVID-19 Coronavirus Emergency Supplemental Funding	16.034	54,462		54,462
		<u>\$69,004</u>	<u>\$2,931,420</u>	<u>\$ 3,000,424</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Garland County, Arkansas

Notes to the Schedule of Federal Awards

For the Year Ended December 31, 2020

NOTE 1: Summary of Significant Accounting Policies -

Basis of Accounting. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Garland County, Arkansas, and is presented in accordance with accounting principles generally accepted in the United States of America. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note 2: Indirect Cost Allocation- Garland County has elected not to use the ten percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 Program Costs – The amounts shown as current-year expenses represent only the federal grant portion of the program costs. Entire program costs including the County’s portion may be more than shown.

See independent auditor’s report.

Garland County, Arkansas

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2020

A. Summary of Audit Results

1. No material weaknesses or significant deficiencies relating to the audit of the major federal award program is reported in the Independent Auditor's Report on Compliance for each Major Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance.
2. The independent auditor's report on compliance for the major federal award programs for Garland County, Arkansas expresses an unmodified opinion.
3. The program tested as major programs was:

U.S. Dept. of Homeland Security	<u>CFDA</u> 21.019	COVID-19 Coronavirus Relief-CARES-Act
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4. The threshold for distinguishing Types A and B programs was \$750,000.
5. Garland County, Arkansas was determined not to be a low-risk auditee.

B. Findings - Financial Statement Audit - None

C. Federal Awards Findings and Questioned Costs - None

Garland County, Arkansas
Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2020

No Prior Year Findings