

**Garland County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

---



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

Independent Auditor's Report  
Report on Internal Control Over Financial Reporting, Compliance and Other Matters, and Other Issues Based on an  
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
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, 2017, 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, 2017, 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, 2017, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

**Other Matters**

*Supplementary and Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018, 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  
November 29, 2018  
LOCO02617

# Arkansas

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 29, 2018. 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*.

## Other Issues

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

The commentary contained in this section relates to the following officials that held office during 2017:

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

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

### **Circuit Judge**

Garland County Adult Drug Court Program (Drug Program) serves as a judicial intervention process for substance abuse treatment of eligible offenders in lieu of incarceration. In 2016, the Drug Program was awarded an Accountability Drug Court Grant (Grant) of \$43,000 from the Department of Community Correction (DCC). Our review of grant expenditures during the period July 1, 2016 through October 30, 2017, indicated that the Circuit Judge did not ensure compliance with grant guidelines regarding budgeted funds prior to approving claims for payment, monitor and record the use of gift cards, and reimbursed conference fees and related travel costs before the trips occurred, as discussed below:

1. Grant guidelines specify that grant funds may only be used as listed in the "approved grant budget request," with a 20% variance. The approved grant budget provided a maximum amount of \$5,160 for conference fees and related travel costs for one conference; however, the Drug Program spent \$25,154, which was \$19,994 more than allowed (a 387.5% variance). As a result, other budgeted amounts for line item costs directly related to Drug Program purposes (e.g., health and residential treatment services for program participants) decreased.
2. Grant funds were used to purchase 335 gift cards with a total value of \$11,959. Although the approved grant budget allowed for gift cards to be purchased and issued to Drug Program participants for transportation assistance and/or incentive awards, we noted unallowable use of 53 gift cards with a total value of \$4,034, as follows:
  - 32 gift cards valued at \$2,275 were distributed to five DCC employees to be used while attending three conferences.
  - 9 gift cards valued at \$900 were distributed to one employee as reimbursement for \$885 in conference registration fees.
  - 8 gift cards valued at \$509 were not supported by a documented business purpose.
  - 4 gift cards valued at \$350 were distributed to an employee of another agency to be used for meals and incidental expenses while traveling to a conference.
3. Using grant funds, the County paid conference registration fees and related travel costs for four out-of-state conferences and one in-state conference. According to the County's travel policy, any travel costs eligible for reimbursement from state grant funding sources are subject to the travel policy of the grantor (i.e., DCC). Therefore, when applying state travel regulations, we noted the following transactions that did not comply:
  - For all four out-of-state conferences, employees made their own travel arrangements and were reimbursed for lodging and airfare totaling \$12,190 and \$2,982, respectively, from 1 to 10 months prior to actual travel dates. Reimbursement for travel expenses may not occur prior to actual travel, and state travel regulations suggest that agencies make travel arrangements and be billed directly, if possible.
  - Review of documentation for these four out-of-state trips disclosed \$5,123 in unauthorized disbursements of grant funds (\$4,992) as well as County funds (\$539), as discussed below:
    - \$3,387 for unauthorized lodging costs in excess of the federal allowable rate (\$972); an extra night of lodging (\$101); and car rental charges (\$289) and lodging expenses (\$2,025), both reimbursed 10 months prior to a conference. Of the \$2,314 paid to the employee prior to the conference, the DCC was reimbursed \$1,500 because the employee did not attend the conference, leaving \$814 outstanding. In addition, the County reimbursed \$408 to this employee for airfare for a trip that was not taken.

3. (Continued)

- \$895 in registration fees for two employees who did not attend a conference.
- \$440 in airfare reimbursed to an employee prior to when travel was to occur. This employee did not attend a conference or reimburse DCC.
- \$142 for souvenirs, sundries, and spouse meals.
- \$131 in meal and taxi costs reimbursed to an employee by the County, using non-grant funds, although this amount had already been reimbursed to the employee with a gift card purchased with grant funds.
- \$128 in meals for a spouse, meals in excess of the federal allowable rate, and excess mileage.
- An additional \$997 of grant funds was reimbursed by the County to employees for questionable purchases:
  - \$675 for two hotel rooms for a Friday night stay, although the conference did not start until Sunday.
  - \$282 for a rental car although another employee had rented and was reimbursed for a rental car. We question the need for two rental cars, especially since on-site transportation was included in the conference registration fee.
  - \$40 for subway tickets to destinations other than the conference.
- In apparent circumvention of travel regulations for two out-of-state conferences and one in-state conference, gift cards were given to employees to use for potential expenses, rather than requiring the employees to claim travel reimbursement for actual expenses.

In summary, specific areas of noncompliance with grant guidelines included overspending of the approved grant budget for conference fees and related travel by \$19,994 (387.5%); misuse of gift cards; issuance of travel reimbursement funds before travel occurred; duplicate reimbursements for transportation and meal costs; and reimbursement for travel expenses in excess of federal rates. The travel deficiencies resulted in unauthorized disbursements of grant funds (\$4,992) and County funds (\$539) and questionable travel costs (\$997).

We recommend the County establish proper procedures for expenditure of grant funds to ensure compliance with grant guidelines. We further recommend the County ensure travel reimbursements are in compliance with applicable regulations and refrain from reimbursing employees prior to travel dates.

We noted other deficiencies relating to the disbursement of grant funds by the Department of Community Correction. These matters will be disclosed in the DCC audit report for fiscal year ended June 30, 2017.

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  
November 29, 2018

GARLAND COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 21,210,318	\$ 2,216,826	\$ 53,287,500
Investments			27,463,918
Accounts receivable	1,029,617	99,462	2,157,563
Interfund receivables	72,891		155,111
<b>TOTAL ASSETS</b>	<b>\$ 22,312,826</b>	<b>\$ 2,316,288</b>	<b>\$ 83,064,092</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 331,794	\$ 100,121	\$ 2,152,305
Interfund payables	155,111		72,891
Settlements pending	654,359		2,243,740
<b>Total Liabilities</b>	<b>1,141,264</b>	<b>100,121</b>	<b>4,468,936</b>
<b>Fund Balances:</b>			
Restricted		716,167	77,728,352
Committed			415,709
Assigned	4,175	1,500,000	451,095
Unassigned	21,167,387		
<b>Total Fund Balances</b>	<b>21,171,562</b>	<b>2,216,167</b>	<b>78,595,156</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,312,826</b>	<b>\$ 2,316,288</b>	<b>\$ 83,064,092</b>

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, 2017

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 530,158	\$ 3,412,362	\$ 1,315,541
Federal aid	170,291	353,279	498,373
Property taxes	2,563,690	2,092	2,759,539
Sales taxes	8,112,220		9,647,153
Fines, forfeitures, and costs	127,959		1,348,991
Interest	160,649	13,863	685,733
Officers' fees	219,176		817,290
Franchise fees	278,581		
Insurance premiums collected	106,216		
Oaklawn fees	658,460		
Donations			55,994
Sanitation fees			7,544,276
911 fees			861,506
Commissary sales			184,868
Jail fees	509,706		2,526,477
Net increase (decrease) in the fair value of investments			(157,503)
Treasurer's commission	258,233		101,399
Collector's commission	542,915		309,920
Taxes apportioned - Assessor's salary and expense	1,068,114		
Other	1,463,182	118,601	1,149,179
<b>TOTAL REVENUES</b>	<b>16,769,550</b>	<b>3,900,197</b>	<b>29,648,736</b>
Less: Treasurer's commission	97,357	23,364	160,717
<b>NET REVENUES</b>	<b>16,672,193</b>	<b>3,876,833</b>	<b>29,488,019</b>
EXPENDITURES			
Current:			
General government	6,615,948		2,411,096
Law enforcement	7,599,595		7,797,771
Highways and streets		6,441,639	3,301,680
Public safety	528,246		1,334,843
Sanitation			8,692,345
Health	162,483		12,000
Recreation and culture			3,068,387
Social services	164,525		
Total Current	15,070,797	6,441,639	26,618,122
Debt Service:			
Bond principal			505,000
Bond interest and other charges			1,093,951
<b>TOTAL EXPENDITURES</b>	<b>15,070,797</b>	<b>6,441,639</b>	<b>28,217,073</b>

GARLAND COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,601,396	\$ (2,564,806)	\$ 1,270,946
OTHER FINANCING SOURCES (USES)			
Transfers in	1,706,354	1,500,000	1,004,829
Transfers out	(2,255,182)		(1,956,001)
TOTAL OTHER FINANCING SOURCES (USES)	(548,828)	1,500,000	(951,172)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,052,568	(1,064,806)	319,774
FUND BALANCES - JANUARY	20,118,994	3,280,973	78,275,382
FUND BALANCES - DECEMBER 31	<u>\$ 21,171,562</u>	<u>\$ 2,216,167</u>	<u>\$ 78,595,156</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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 424,012	\$ 530,158	\$ 106,146	\$ 3,202,319	\$ 3,412,362	\$ 210,043
Federal aid	177,317	170,291	(7,026)	280,684	353,279	72,595
Property taxes	2,150,000	2,563,690	413,690	110,000	2,092	(107,908)
Sales taxes	8,360,334	8,112,220	(248,114)			
Fines, forfeitures, and costs	80,000	127,959	47,959			
Interest	15,000	160,649	145,649	10,000	13,863	3,863
Officers' fees	175,000	219,176	44,176			
Franchise fees	100,000	278,581	178,581			
Insurance premiums collected	100,000	106,216	6,216			
Oaklawn fees		658,460	658,460			
Jail fees	700,000	509,706	(190,294)			
Treasurer's commission	230,000	258,233	28,233			
Collector's commission	580,000	542,915	(37,085)			
Taxes apportioned - Assessor's salary and expense	950,000	1,068,114	118,114			
Other	1,927,565	1,463,182	(464,383)	95,124	118,601	23,477
<b>TOTAL REVENUES</b>	<b>15,969,228</b>	<b>16,769,550</b>	<b>800,322</b>	<b>3,698,127</b>	<b>3,900,197</b>	<b>202,070</b>
Less: Treasurer's commission		97,357	(97,357)		23,364	(23,364)
<b>NET REVENUES</b>	<b>15,969,228</b>	<b>16,672,193</b>	<b>702,965</b>	<b>3,698,127</b>	<b>3,876,833</b>	<b>178,706</b>
EXPENDITURES						
Current:						
General government	9,792,267	6,615,948	3,176,319			
Law enforcement	8,382,210	7,599,595	782,615			
Highways and streets				6,800,440	6,441,639	358,801
Public safety	1,177,359	528,246	649,113			
Health	186,760	162,483	24,277			
Social services	170,366	164,525	5,841			
<b>TOTAL EXPENDITURES</b>	<b>19,708,962</b>	<b>15,070,797</b>	<b>4,638,165</b>	<b>6,800,440</b>	<b>6,441,639</b>	<b>358,801</b>

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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,739,734)	\$ 1,601,396	\$ 5,341,130	\$ (3,102,313)	\$ (2,564,806)	\$ 537,507
OTHER FINANCING SOURCES (USES)						
Transfers in	1,594,639	1,706,354	111,715	1,500,000	1,500,000	
Transfers out	(1,722,070)	(2,255,182)	(533,112)	(26,134)		26,134
TOTAL OTHER FINANCING SOURCES (USES)	(127,431)	(548,828)	(421,397)	1,473,866	1,500,000	26,134
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,867,165)	1,052,568	4,919,733	(1,628,447)	(1,064,806)	563,641
FUND BALANCES - JANUARY 1	1,357,291	20,118,994	18,761,703	1,783,591	3,280,973	1,497,382
FUND BALANCES - DECEMBER 31	\$ (2,509,874)	\$ 21,171,562	\$ 23,681,436	\$ 155,144	\$ 2,216,167	\$ 2,061,023

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

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

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

**B. Basis of Presentation - Regulatory Fund Accounting**

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

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 (other than those financed by Enterprise Funds). See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

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

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

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

**C. Basis of Accounting**

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

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, certificates of deposit, and treasury bills.

Investments

Investments are reported at fair value.

Settlements Pending

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

Fund Balance Classifications

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

**E. Property Taxes**

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

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

**F. Budget Law**

1. Legal Requirements

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

2. Accounting

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

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

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

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

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

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

	<u>December 31, 2017</u>	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,824,853	\$ 2,824,694
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	41,771,213	42,215,143
U.S. government guaranteed accounts	32,113,291	32,113,291
Total Deposits	\$ 76,709,357	\$ 77,153,128

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

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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, 2017 Fair Value
Special Revenue:	
Detention Facility	\$ 2,713,918
Capital Projects Fund:	
Road Improvement Construction	24,750,000
Total	\$ 27,463,918

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

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

The County's investments are composed of the following:

December 31, 2017 Investment Type	Quoted Prices in Active Markets for Identical Investments  Level I
Federal agency obligations	\$ 27,463,918

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



GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2017, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 615
Federal aid	\$ 1,759		5,345
Property taxes			1,304
Sales taxes	554,072		464,834
Fines, forfeitures, and costs	6,855		71,031
Interest	48		80,870
Officers' fees	15,113		74,177
Franchise fees	66,186		
Sanitation fees			327,129
911 fees			24,305
Jail fees	44,217		
Other	163,196	\$ 56,950	253,686
Transfers In			562,156
Treasurer's commission charged	178,171	42,512	292,111
<b>Totals</b>	<b>\$ 1,029,617</b>	<b>\$ 99,462</b>	<b>\$ 2,157,563</b>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2017, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 331,794	\$ 100,121	\$ 2,152,305

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2017	
	Interfund Receivables	Interfund Payables
General	\$ 72,891	\$ 155,111
Other Funds in the Aggregate:		
Special Revenue:		
911 Emergency	155,111	72,891
<b>Totals</b>	<b>\$ 228,002</b>	<b>\$ 228,002</b>

Interfund receivables and payables consist of salary reimbursements. This balance was repaid in January 2018.

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

Fund balance classifications at December 31, 2017, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Restricted for:			
General government			\$ 1,394,274
Law enforcement			7,456,112
Highways and streets		\$ 716,167	
Public safety			1,385,229
Sanitation			6,905,880
Recreation and culture			6,651,492
Capital outlay			50,826,236
Debt service			3,109,129
Total Restricted		<u>716,167</u>	<u>77,728,352</u>
Committed for:			
General government			101,521
Law enforcement			314,188
Total Committed			<u>415,709</u>
Assigned to:			
General government	\$ 4,175		34,475
Law enforcement			64,105
Highways and streets		1,500,000	
Public safety			233,111
Debt service			119,404
Total Assigned	<u>4,175</u>	<u>1,500,000</u>	<u>451,095</u>
Unassigned	<u>21,167,387</u>		
Totals	<u>\$ 21,171,562</u>	<u>\$ 2,216,167</u>	<u>\$ 78,595,156</u>

**NOTE 9: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2017, the legal debt limit for bonded debt was \$180,855,764. 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, 2017, the legal debt limit for short-term financing obligations was \$46,625,544. There were no short-term financing obligations.

GARLAND COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2017:

	December 31, 2017
Long-term liabilities	\$56,452,489
Noncancellable lease	283,814
Construction contract	3,552,214
Reappraisal contract	3,550,000
 Total Commitments	 \$63,838,517

Long-term Liabilities

Long-term liabilities at December 31, 2017, are comprised of the following:

	December 31, 2017
Capital Improvement Refunding Revenue Bonds, Series 2015, for the purpose of refunding Capital Improvement Refunding Revenue Bonds, Series 2008; annual installments of \$220,000 to \$245,000 due May 1 beginning in 2016 through May 2022; interest rate of 2% to 2.25% due May 1 and November 1 beginning November 2015. Payments are to be made from the 2015 Capital Improvement Refunding Revenue Bond Fund.	\$ 1,170,000
Sales and Use Tax Bond, Series 2016, for the purpose of financing all or a portion of the costs of improvements which consist of new, and improvements to existing roads, streets, and related structures; annual installments of \$280,000 to \$8,225,000 due November 1 beginning in 2017 through November 2024; interest rate of 1.340% to 2.502% due May 1 and November 1 beginning May 2017. Payments are to be made from the 2016 Sales and Use Tax Bond Fund.	54,415,000
Compensated Absences	859,311
Landfill Closure and Postclosure Costs	8,178
 Total Long-term liabilities	 \$ 56,452,489

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

Post Employment Benefits Other Than Pensions

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

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 10: Commitments (Continued)**

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2017:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2018	\$ 8,858,085
2019	8,858,728
2020	8,858,196
2021	8,856,391
2022	8,859,120
2023 through 2024	<u>16,353,972</u>
Total Obligations	60,644,492
Less Interest	<u>5,059,492</u>
Total Principal	<u>\$ 55,585,000</u>

Landfill Closure and Postclosure Care Costs

Garland County is the owner of permit # 0300-S4 to operate a Class IV solid waste landfill. State and federal regulations require a final cover to be placed on the landfill site when it stops accepting waste and the performance of certain maintenance and monitoring functions at the site for two years after the closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated liability for the landfill closure and postclosure care costs has a balance of \$8,178 as of December 31, 2017, which is based on 16% usage of the landfill. The County will recognize the remaining estimated closure and postclosure care costs of \$496,006 as the remaining estimated capacity is filled. At the present utilization rate, the landfill site has an estimated life expectancy of 42 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, 2017. 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 January 18, 2018.

Noncancellable Lease

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

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 107,714
2019	80,042
2020	45,402
2021	30,298
2022	<u>20,358</u>
Total	<u>\$ 283,814</u>

Rental expense for 2017 was \$102,811.

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 10: Commitments (Continued)**

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2017:

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance December 31, 2017</u>
Arkansas Wireless Information Network (AWIN)	December 31, 2018	\$ <u>3,552,214</u>

Reappraisal Contract

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

<u>Year</u>	<u>Contract Balance December 31, 2017</u>
2018	\$ 710,000
2019	710,000
2020	710,000
2021	710,000
2022	<u>710,000</u>
Total	<u>\$ 3,550,000</u>

**NOTE 11: Interfund Transfers**

The General Fund transferred \$1,500,000 to the Road Fund and \$755,182 to Other Funds in the Aggregate to supplement operations. The Other Funds in the Aggregate transferred \$1,706,354 to the General Fund for court costs and fines in excess of debt requirements and excess remaining after 2011 bond was extinguished. Within Other Funds in the Aggregate, \$249,647 was transferred for debt service related payments.

**NOTE 12: 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 \$1,170,000 and \$62,156, respectively, payable through May 1, 2022. For 2017, principal and interest paid was \$225,000 and \$26,263, respectively.

The Debt Service Fund received \$908,800 of pledged revenues and transferred \$762,105 and \$249,647, to the General Fund and 2015 Capital Improvement Refunding Revenue Bond Fund, respectively. Pledged revenues received in excess of the debt service requirements for the 2015 bond issue may be used for other county expenditures.

Sales and Use Taxes

The County has pledged future .625% sales and use taxes to repay \$54,695,000 in sales and use tax bonds that were issued in 2016 to provide funding for the cost of new and improvements to existing roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements. Total principal and interest remaining on the bonds are \$54,415,000 and \$4,997,336, respectively, payable through November 1, 2024. For 2017, principal and interest paid were 280,000 and 1,063,401, respectively.

The Debt Service Fund received \$ 3,684,714 in sales taxes in 2017. 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.

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 13: 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 2017, 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 14: 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 2017. 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 15: Risk Management**

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

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

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

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

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

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

GARLAND COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 15: Risk Management (Continued)**

Vehicle Program (Continued)

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

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

**NOTE 16: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2016 (date of APERS Employer Allocation Report) were \$2,057,704.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$20,347,077.

**NOTE 17: Subsequent Events**

The County passed Garland County Ordinance no. O-18-11 (February 12, 2018) authorizing the County Comptroller to remit a check for \$354,404 to the Arkansas Public Employee Retirement System (APERS) for the County's share of the District Court Staff related retirement expenses. The County shares this liability equally with the City of Hot Springs.

GARLAND COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Library Operations and Maintenance	Library - Non- Tax	Library - First Asset and Investment
ASSETS									
Cash and cash equivalents	\$ 250,996	\$ 589,726	\$ 32,329	\$ 20,724	\$ 83,773	\$ 335,138	\$ 5,567,210	\$ 1,035,763	\$ 53,232
Investments									
Accounts receivable		82	934	300	2,050	65,852	45,976		
Interfund receivables									
<b>TOTAL ASSETS</b>	<b><u>\$ 250,996</u></b>	<b><u>\$ 589,808</u></b>	<b><u>\$ 33,263</u></b>	<b><u>\$ 21,024</u></b>	<b><u>\$ 85,823</u></b>	<b><u>\$ 400,990</u></b>	<b><u>\$ 5,613,186</u></b>	<b><u>\$ 1,035,763</u></b>	<b><u>\$ 53,232</u></b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 3,431	\$ 11,275			\$ 26	\$ 2,181	\$ 48,472	\$ 2,217	
Interfund payables									
Settlements pending									
Total Liabilities	<u>3,431</u>	<u>11,275</u>			<u>26</u>	<u>2,181</u>	<u>48,472</u>	<u>2,217</u>	
Fund Balances:									
Restricted	247,565	578,533	\$ 33,263	\$ 21,024	85,797	398,809	5,564,714	1,033,546	\$ 53,232
Committed									
Assigned									
Total Fund Balances	<u>247,565</u>	<u>578,533</u>	<u>33,263</u>	<u>21,024</u>	<u>85,797</u>	<u>398,809</u>	<u>5,564,714</u>	<u>1,033,546</u>	<u>53,232</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 250,996</u></b>	<b><u>\$ 589,808</u></b>	<b><u>\$ 33,263</u></b>	<b><u>\$ 21,024</u></b>	<b><u>\$ 85,823</u></b>	<b><u>\$ 400,990</u></b>	<b><u>\$ 5,613,186</u></b>	<b><u>\$ 1,035,763</u></b>	<b><u>\$ 53,232</u></b>



GARLAND COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS								
	Solid Waste	Assessor's Reappraisal Cost	Support Collection Cost	Breathalyzer	Garland County Detention Center Maintenance	Boating Safety	911 Emergency	Rescue/ Emergency Response/ Law Enforcement	Public Defender
ASSETS									
Cash and cash equivalents	\$ 6,713,191	\$ 34,475	\$ 42,590	\$ 8,372	\$ 176,944	\$ 25,035	\$ 1,250,366	\$ 27,282	\$ 25,189
Investments									
Accounts receivable	1,065,597		271		20,037		74,185	1,008	
Interfund receivables							155,111		
<b>TOTAL ASSETS</b>	<b><u>\$ 7,778,788</u></b>	<b><u>\$ 34,475</u></b>	<b><u>\$ 42,861</u></b>	<b><u>\$ 8,372</u></b>	<b><u>\$ 196,981</u></b>	<b><u>\$ 25,035</u></b>	<b><u>\$ 1,479,662</u></b>	<b><u>\$ 28,290</u></b>	<b><u>\$ 25,189</u></b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 872,908		\$ 92		\$ 12,405		\$ 94,916		\$ 2,541
Interfund payables							72,891		
Settlements pending									
Total Liabilities	<u>872,908</u>		<u>92</u>		<u>12,405</u>		<u>167,807</u>		<u>2,541</u>
Fund Balances:									
Restricted	6,905,880		42,769	\$ 8,372	184,576	\$ 25,035	1,156,744	\$ 28,290	
Committed									
Assigned		\$ 34,475					155,111		22,648
Total Fund Balances	<u>6,905,880</u>	<u>34,475</u>	<u>42,769</u>	<u>8,372</u>	<u>184,576</u>	<u>25,035</u>	<u>1,311,855</u>	<u>28,290</u>	<u>22,648</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 7,778,788</u></b>	<b><u>\$ 34,475</u></b>	<b><u>\$ 42,861</u></b>	<b><u>\$ 8,372</u></b>	<b><u>\$ 196,981</u></b>	<b><u>\$ 25,035</u></b>	<b><u>\$ 1,479,662</u></b>	<b><u>\$ 28,290</u></b>	<b><u>\$ 25,189</u></b>

GARLAND COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

SPECIAL REVENUE FUNDS									
	Case Coordinator	Adult Drug Court	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Detention Facility	Water System	Federal Forest Reserve Title III	Court Cost
ASSETS									
Cash and cash equivalents	\$ 72,927	\$ 7,102	\$ 71,663	\$ 15,145	\$ 4,109	\$ 2,824,463	\$ 101,521	\$ 203,570	\$ 143,901
Investments						2,713,918			
Accounts receivable		457	2,348	469	54	668,815			
Interfund receivables									
<b>TOTAL ASSETS</b>	<b>\$ 72,927</b>	<b>\$ 7,559</b>	<b>\$ 74,011</b>	<b>\$ 15,614</b>	<b>\$ 4,163</b>	<b>\$ 6,207,196</b>	<b>\$ 101,521</b>	<b>\$ 203,570</b>	<b>\$ 143,901</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,126		\$ 1,314			\$ 44,543		\$ 540	\$ 4,639
Interfund payables									
Settlements pending									
<b>Total Liabilities</b>	<b>2,126</b>		<b>1,314</b>			<b>44,543</b>		<b>540</b>	<b>4,639</b>
Fund Balances:									
Restricted	70,801	\$ 7,559	72,697	\$ 15,614	\$ 4,163	6,162,653		203,030	139,262
Committed							\$ 101,521		
Assigned									
<b>Total Fund Balances</b>	<b>70,801</b>	<b>7,559</b>	<b>72,697</b>	<b>15,614</b>	<b>4,163</b>	<b>6,162,653</b>	<b>101,521</b>	<b>203,030</b>	<b>139,262</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 72,927</b>	<b>\$ 7,559</b>	<b>\$ 74,011</b>	<b>\$ 15,614</b>	<b>\$ 4,163</b>	<b>\$ 6,207,196</b>	<b>\$ 101,521</b>	<b>\$ 203,570</b>	<b>\$ 143,901</b>

GARLAND COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS								
	Animal Control	Detention Facility Reserve	Sheriff's Commissary	Court Security Grant	Bulletproof Vest Grant	Drug Task Force - Investigator Grant	Selective Traffic Enforcement Project (STEP) Grant	Juvenile Detention Grant In Aid	Victims of Crime Act (VOCA) Program Grant
ASSETS									
Cash and cash equivalents	\$ 150,213	\$ 25,227	\$ 314,776	\$ 1,459	\$ 13,358	\$ 13,662	\$ 53,456	\$ 5,360	\$ 85,900
Investments									
Accounts receivable	1,975	9,170	25,866			8,093			5,345
Interfund receivables									
<b>TOTAL ASSETS</b>	<b>\$ 152,188</b>	<b>\$ 34,397</b>	<b>\$ 340,642</b>	<b>\$ 1,459</b>	<b>\$ 13,358</b>	<b>\$ 21,755</b>	<b>\$ 53,456</b>	<b>\$ 5,360</b>	<b>\$ 91,245</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 26,454	\$ 1,459			\$ 2		\$ 2,700
Interfund payables									
Settlements pending									
Total Liabilities			<u>26,454</u>	<u>1,459</u>			<u>2</u>		<u>2,700</u>
Fund Balances:									
Restricted	\$ 152,188	\$ 34,397			\$ 13,358	\$ 21,755	53,454	\$ 5,360	88,545
Committed			314,188						
Assigned									
Total Fund Balances	<u>152,188</u>	<u>34,397</u>	<u>314,188</u>		<u>13,358</u>	<u>21,755</u>	<u>53,454</u>	<u>5,360</u>	<u>88,545</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 152,188</b>	<b>\$ 34,397</b>	<b>\$ 340,642</b>	<b>\$ 1,459</b>	<b>\$ 13,358</b>	<b>\$ 21,755</b>	<b>\$ 53,456</b>	<b>\$ 5,360</b>	<b>\$ 91,245</b>

GARLAND COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	State Homeland Security Grant Program	Juvenile Court Accountability Grant	Hazard Mitigation Assistance Grant	Juvenile Accountability Block Grant	eCrash/eCite System Grant	Fountain Lake Volunteer Fire Department	Communication Facility and Equipment	Road Improvement Construction
ASSETS								
Cash and cash equivalents	\$ 78,000	\$ 11,930	\$ 25,452	\$ 13,463	\$ 58,765	\$ 3	\$ 332,060	\$ 26,989,504
Investments								24,750,000
Accounts receivable				615			13,936	70,031
Interfund receivables								
<b>TOTAL ASSETS</b>	<b><u>\$ 78,000</u></b>	<b><u>\$ 11,930</u></b>	<b><u>\$ 25,452</u></b>	<b><u>\$ 14,078</u></b>	<b><u>\$ 58,765</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 345,996</u></b>	<b><u>\$ 51,809,535</u></b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 2,433			\$ 31,386		\$ 946	\$ 983,299
Interfund payables								
Settlements pending								
Total Liabilities		<u>2,433</u>			<u>31,386</u>		<u>946</u>	<u>983,299</u>
Fund Balances:								
Restricted		9,497	\$ 25,452			\$ 3	345,050	50,826,236
Committed								
Assigned	\$ 78,000			\$ 14,078	27,379			
Total Fund Balances	<u>78,000</u>	<u>9,497</u>	<u>25,452</u>	<u>14,078</u>	<u>27,379</u>	<u>3</u>	<u>345,050</u>	<u>50,826,236</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 78,000</u></b>	<b><u>\$ 11,930</u></b>	<b><u>\$ 25,452</u></b>	<b><u>\$ 14,078</u></b>	<b><u>\$ 58,765</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 345,996</u></b>	<b><u>\$ 51,809,535</u></b>

GARLAND COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	DEBT SERVICE FUNDS			AGENCY FUNDS						Totals
	Court Cost and Fine	2015 Capital Improvement Refunding Revenue Bond	2016 Sales and Use Tax Bond	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge's Accounts	
<b>ASSETS</b>										
Cash and cash equivalents	\$ 47,412	\$ 282,662	\$ 2,824,362	\$ 149,672	\$ 671,884	\$ 123,146	\$ 245,416	\$ 811,205	\$ 242,417	\$ 53,287,500
Investments										27,463,918
Accounts receivable	71,992	221	1,884							2,157,563
Interfund receivables										155,111
<b>TOTAL ASSETS</b>	<u>\$ 119,404</u>	<u>\$ 282,883</u>	<u>\$ 2,826,246</u>	<u>\$ 149,672</u>	<u>\$ 671,884</u>	<u>\$ 123,146</u>	<u>\$ 245,416</u>	<u>\$ 811,205</u>	<u>\$ 242,417</u>	<u>\$ 83,064,092</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable										\$ 2,152,305
Interfund payables										72,891
Settlements pending				\$ 149,672	\$ 671,884	\$ 123,146	\$ 245,416	\$ 811,205	\$ 242,417	2,243,740
Total Liabilities				<u>149,672</u>	<u>671,884</u>	<u>123,146</u>	<u>245,416</u>	<u>811,205</u>	<u>242,417</u>	<u>4,468,936</u>
Fund Balances:										
Restricted		\$ 282,883	\$ 2,826,246							77,728,352
Committed										415,709
Assigned	\$ 119,404									451,095
Total Fund Balances	<u>119,404</u>	<u>282,883</u>	<u>2,826,246</u>							<u>78,595,156</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 119,404</u>	<u>\$ 282,883</u>	<u>\$ 2,826,246</u>	<u>\$ 149,672</u>	<u>\$ 671,884</u>	<u>\$ 123,146</u>	<u>\$ 245,416</u>	<u>\$ 811,205</u>	<u>\$ 242,417</u>	<u>\$ 83,064,092</u>

GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Library Operations and Maintenance	Library - Non- Tax	Library - First Asset and Investment
REVENUES									
State aid				\$ 23,258			\$ 456,906		
Federal aid							1,240		
Property taxes							2,602,360		
Sales taxes									
Fines, forfeitures, and costs			\$ 7,154						
Interest	\$ 1,052	\$ 2,048	134	102	\$ 419	\$ 1,654	26,380	\$ 5,843	\$ 27
Officers' fees			2,946		24,514	740,159			
Donations								55,994	
Sanitation fees									
911 fees									
Commissary sales									
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission	101,399								
Collector's commission		309,920							
Other		82					112,880		100
<b>TOTAL REVENUES</b>	<b>102,451</b>	<b>312,050</b>	<b>10,234</b>	<b>23,360</b>	<b>24,933</b>	<b>741,813</b>	<b>3,199,766</b>	<b>61,837</b>	<b>127</b>
Less: Treasurer's commission			69	165	174	5,276	21,707		
<b>NET REVENUES</b>	<b>102,451</b>	<b>312,050</b>	<b>10,165</b>	<b>23,195</b>	<b>24,759</b>	<b>736,537</b>	<b>3,178,059</b>	<b>61,837</b>	<b>127</b>
EXPENDITURES									
Current:									
General government	41,021	248,133		16,400	23,890	715,974			
Law enforcement			3,600						
Highways and streets									
Public safety									
Sanitation									
Health									
Recreation and culture							3,000,056	53,331	
Total Current	41,021	248,133	3,600	16,400	23,890	715,974	3,000,056	53,331	
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>41,021</b>	<b>248,133</b>	<b>3,600</b>	<b>16,400</b>	<b>23,890</b>	<b>715,974</b>	<b>3,000,056</b>	<b>53,331</b>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	61,430	63,917	6,565	6,795	869	20,563	178,003	8,506	127
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	61,430	63,917	6,565	6,795	869	20,563	178,003	8,506	127
FUND BALANCES - JANUARY 1	186,135	514,616	26,698	14,229	84,928	378,246	5,386,711	1,025,040	53,105
FUND BALANCES - DECEMBER 31	\$ 247,565	\$ 578,533	\$ 33,263	\$ 21,024	\$ 85,797	\$ 398,809	\$ 5,564,714	\$ 1,033,546	\$ 53,232

GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Solid Waste	Assessor's Reappraisal Cost	Support Collection Cost	Breathalyzer	Garland County Detention Center Maintenance and Operations	Boating Safety	911 Emergency	Rescue/ Emergency Response/ Law Enforcement Vehicle	Public Defender
REVENUES									
State aid		\$ 572,631				\$ 13,847			\$ 3,308
Federal aid									
Property taxes									
Sales taxes	\$ 1,776,773								
Fines, forfeitures, and costs				\$ 2,856	\$ 224,666	3,805		\$ 12,459	27,284
Interest	30,832		\$ 238	44	1,157	155	\$ 6,211	157	88
Officers' fees			6,948		1,980				
Donations									
Sanitation fees	7,544,276								
911 fees							861,506		
Commissary sales									
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission									
Collector's commission									
Other	450,316					500	36,800		513
<b>TOTAL REVENUES</b>	<b>9,802,197</b>	<b>572,631</b>	<b>7,186</b>	<b>2,900</b>	<b>227,803</b>	<b>18,307</b>	<b>904,517</b>	<b>12,616</b>	<b>31,193</b>
Less: Treasurer's commission	68,535		49		1,794	109	6,118	97	66
<b>NET REVENUES</b>	<b>9,733,662</b>	<b>572,631</b>	<b>7,137</b>	<b>2,900</b>	<b>226,009</b>	<b>18,198</b>	<b>898,399</b>	<b>12,519</b>	<b>31,127</b>
EXPENDITURES									
Current:									
General government		738,000	10,939						
Law enforcement				2,166	331,663	29,309		12,131	50,932
Highways and streets									
Public safety							1,101,106		
Sanitation	8,692,345								
Health									
Recreation and culture									
<b>Total Current</b>	<b>8,692,345</b>	<b>738,000</b>	<b>10,939</b>	<b>2,166</b>	<b>331,663</b>	<b>29,309</b>	<b>1,101,106</b>	<b>12,131</b>	<b>50,932</b>
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>8,692,345</b>	<b>738,000</b>	<b>10,939</b>	<b>2,166</b>	<b>331,663</b>	<b>29,309</b>	<b>1,101,106</b>	<b>12,131</b>	<b>50,932</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,041,317</b>	<b>(165,369)</b>	<b>(3,802)</b>	<b>734</b>	<b>(105,654)</b>	<b>(11,111)</b>	<b>(202,707)</b>	<b>388</b>	<b>(19,805)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in		165,370					155,111		31,500
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>165,370</b>					<b>155,111</b>		<b>31,500</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>1,041,317</b>	<b>1</b>	<b>(3,802)</b>	<b>734</b>	<b>(105,654)</b>	<b>(11,111)</b>	<b>(47,596)</b>	<b>388</b>	<b>11,695</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>5,864,563</b>	<b>34,474</b>	<b>46,571</b>	<b>7,638</b>	<b>290,230</b>	<b>36,146</b>	<b>1,359,451</b>	<b>27,902</b>	<b>10,953</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 6,905,880</b>	<b>\$ 34,475</b>	<b>\$ 42,769</b>	<b>\$ 8,372</b>	<b>\$ 184,576</b>	<b>\$ 25,035</b>	<b>\$ 1,311,855</b>	<b>\$ 28,290</b>	<b>\$ 22,648</b>

GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	Case Coordinator	Adult Drug Court	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Detention Facility	Water System	Federal Forest Reserve Title III	Court Cost
REVENUES									
State aid									
Federal aid									
Property taxes					\$ 4,186				
Sales taxes						\$ 4,185,666			
Fines, forfeitures, and costs	\$ 73,022	\$ 6,315	\$ 14,485						\$ 68,145
Interest	348	38	364	\$ 118	7	38,132	\$ 503		808
Officers' fees			14,025	5,505		866			
Donations									
Sanitation fees									
911 fees									
Commissary sales									
Jail fees						2,355,101			
Net increase (decrease) in the fair value of investments						(42,269)			
Treasurer's commission									
Collector's commission									
Other		100				203,724			160
<b>TOTAL REVENUES</b>	<b>73,370</b>	<b>6,453</b>	<b>28,874</b>	<b>5,623</b>	<b>4,193</b>	<b>6,741,220</b>	<b>503</b>		<b>69,113</b>
Less: Treasurer's commission		43	200	37	30	48,049			
<b>NET REVENUES</b>	<b>73,370</b>	<b>6,410</b>	<b>28,674</b>	<b>5,586</b>	<b>4,163</b>	<b>6,693,171</b>	<b>503</b>		<b>69,113</b>
EXPENDITURES									
Current:									
General government				15,579					
Law enforcement	67,431	5,501	29,129			6,174,589			51,212
Highways and streets									
Public safety								\$ 541	
Sanitation									
Health									
Recreation and culture									
<b>Total Current</b>	<b>67,431</b>	<b>5,501</b>	<b>29,129</b>	<b>15,579</b>		<b>6,174,589</b>		<b>541</b>	<b>51,212</b>
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>67,431</b>	<b>5,501</b>	<b>29,129</b>	<b>15,579</b>		<b>6,174,589</b>		<b>541</b>	<b>51,212</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,939</b>	<b>909</b>	<b>(455)</b>	<b>(9,993)</b>	<b>4,163</b>	<b>518,582</b>	<b>503</b>	<b>(541)</b>	<b>17,901</b>
OTHER FINANCING SOURCES (USES)									
Transfers in								169,765	
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								<b>169,765</b>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>5,939</b>	<b>909</b>	<b>(455)</b>	<b>(9,993)</b>	<b>4,163</b>	<b>518,582</b>	<b>503</b>	<b>169,224</b>	<b>17,901</b>
FUND BALANCES - JANUARY 1	64,862	6,650	73,152	25,607		5,644,071	101,018	33,806	121,361
FUND BALANCES - DECEMBER 31	<b>\$ 70,801</b>	<b>\$ 7,559</b>	<b>\$ 72,697</b>	<b>\$ 15,614</b>	<b>\$ 4,163</b>	<b>\$ 6,162,653</b>	<b>\$ 101,521</b>	<b>\$ 203,030</b>	<b>\$ 139,262</b>



GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Animal Control	Detention Facility Reserve	Sheriff's Commissary	Court Security Grant	Bulletproof Vest Grant	J. C., Inc., dba Hot Springs Packing Company	Drug Task Force - Investigator Grant	Arkansas Drug Courts Capacity Building Project Grant	Selective Traffic Enforcement Project (STEP) Grant
REVENUES									
State aid				\$ 15,000					
Federal aid					\$ 11,135	\$ 1,809		\$ 4,500	\$ 40,878
Property taxes	\$ 152,993								
Sales taxes									
Fines, forfeitures, and costs									
Interest	310	\$ 42,576	\$ 1,582						
Officers' fees									
Donations									
Sanitation fees									
911 fees									
Commissary sales			184,868						
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission									
Collector's commission									
Other			224,014				\$ 51,278		
<b>TOTAL REVENUES</b>	<b>153,303</b>	<b>42,576</b>	<b>410,464</b>	<b>15,000</b>	<b>11,135</b>	<b>1,809</b>	<b>51,278</b>	<b>4,500</b>	<b>40,878</b>
Less: Treasurer's commission	1,085	240	1,429						
<b>NET REVENUES</b>	<b>152,218</b>	<b>42,336</b>	<b>409,035</b>	<b>15,000</b>	<b>11,135</b>	<b>1,809</b>	<b>51,278</b>	<b>4,500</b>	<b>40,878</b>
EXPENDITURES									
Current:									
General government						1,810			
Law enforcement	30	7,939	413,902	15,000	17,027		50,649	4,500	46,397
Highways and streets									
Public safety									
Sanitation									
Health									
Recreation and culture									
Total Current	30	7,939	413,902	15,000	17,027	1,810	50,649	4,500	46,397
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>30</b>	<b>7,939</b>	<b>413,902</b>	<b>15,000</b>	<b>17,027</b>	<b>1,810</b>	<b>50,649</b>	<b>4,500</b>	<b>46,397</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>152,188</b>	<b>34,397</b>	<b>(4,867)</b>		<b>(5,892)</b>	<b>(1)</b>	<b>629</b>		<b>(5,519)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in					10,011				20,441
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>					<b>10,011</b>				<b>20,441</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>152,188</b>	<b>34,397</b>	<b>(4,867)</b>		<b>4,119</b>	<b>(1)</b>	<b>629</b>		<b>14,922</b>
FUND BALANCES - JANUARY 1			319,055		9,239	1	21,126		38,532
FUND BALANCES - DECEMBER 31	\$ 152,188	\$ 34,397	\$ 314,188	\$ 0	\$ 13,358	\$ 0	\$ 21,755	\$ 0	\$ 53,454

GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Juvenile Detention Grant In Aid	Victims of Crime Act (VOCA) Program Grant	State Homeland Security Grant Program	Juvenile Court Accountability Grant	Accountability Court Grant	Arkansas Historical Preservation Project (AHPP) Grant	Justice Assistance Grant (JAG)	Hazard Mitigation Assistance Grant	Health Department Grant
REVENUES									
State aid	\$ 28,574			\$ 26,389	\$ 14,332	\$ 106,500			\$ 12,000
Federal aid		\$ 67,105	\$ 74,090				\$ 28,360	\$ 14,756	
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest									
Officers' fees									
Donations									
Sanitation fees									
911 fees									
Commissary sales									
Jail fees									
Net increase (decrease) in the fair value of investments									
Treasurer's commission									
Collector's commission									
Other									
<b>TOTAL REVENUES</b>	<b>28,574</b>	<b>67,105</b>	<b>74,090</b>	<b>26,389</b>	<b>14,332</b>	<b>106,500</b>	<b>28,360</b>	<b>14,756</b>	<b>12,000</b>
Less: Treasurer's commission									
<b>NET REVENUES</b>	<b>28,574</b>	<b>67,105</b>	<b>74,090</b>	<b>26,389</b>	<b>14,332</b>	<b>106,500</b>	<b>28,360</b>	<b>14,756</b>	<b>12,000</b>
EXPENDITURES									
Current:									
General government						277,350			
Law enforcement	51,788	133,361		33,806	32,346		28,360		
Highways and streets									
Public safety			74,090					131,459	
Sanitation									
Health									12,000
Recreation and culture									
<b>Total Current</b>	<b>51,788</b>	<b>133,361</b>	<b>74,090</b>	<b>33,806</b>	<b>32,346</b>	<b>277,350</b>	<b>28,360</b>	<b>131,459</b>	<b>12,000</b>
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>51,788</b>	<b>133,361</b>	<b>74,090</b>	<b>33,806</b>	<b>32,346</b>	<b>277,350</b>	<b>28,360</b>	<b>131,459</b>	<b>12,000</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,214)	(66,256)	0	(7,417)	(18,014)	(170,850)		(116,703)	
OTHER FINANCING SOURCES (USES)									
Transfers in		22,006	78,000			25,200			
Transfers out									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>22,006</b>	<b>78,000</b>			<b>25,200</b>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(23,214)	(44,250)	78,000	(7,417)	(18,014)	(145,650)		(116,703)	
FUND BALANCES - JANUARY 1	28,574	132,795	0	16,914	18,014	145,650		142,155	
FUND BALANCES - DECEMBER 31	<u>\$ 5,360</u>	<u>\$ 88,545</u>	<u>\$ 78,000</u>	<u>\$ 9,497</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,452</u>	<u>\$ 0</u>

GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS							
	Garland County Fair Grant	Juvenile Accountability Block Grant	eCrash/eCite System Grant	Mountain Valley Community Block Grant	Fountain Lake Volunteer Fire Department	Piney Volunteer Fire Department	Communication Facility and Equipment
REVENUES							
State aid	\$ 15,000	\$ 615			\$ 21,181	\$ 6,000	
Federal aid				\$ 254,500			
Property taxes							
Sales taxes							
Fines, forfeitures, and costs							
Interest							\$ 1,182
Officers' fees							20,347
Donations							
Sanitation fees							
911 fees							
Commissary sales							
Jail fees							171,376
Net increase (decrease) in the fair value of investments							
Treasurer's commission							
Collector's commission							
Other		1,375					
<b>TOTAL REVENUES</b>	<b>15,000</b>	<b>1,990</b>		<b>254,500</b>	<b>21,181</b>	<b>6,000</b>	<b>192,905</b>
Less: Treasurer's commission							
<b>NET REVENUES</b>	<b>15,000</b>	<b>1,990</b>		<b>254,500</b>	<b>21,181</b>	<b>6,000</b>	<b>192,905</b>
EXPENDITURES							
Current:							
General government				254,500			
Law enforcement		1,990	\$ 36,321				69,407
Highways and streets							
Public safety					21,178	6,469	
Sanitation							
Health							
Recreation and culture	15,000						
Total Current	15,000	1,990	36,321	254,500	21,178	6,469	69,407
Debt Service:							
Bond principal							
Bond interest and other charges							
<b>TOTAL EXPENDITURES</b>	<b>15,000</b>	<b>1,990</b>	<b>36,321</b>	<b>254,500</b>	<b>21,178</b>	<b>6,469</b>	<b>69,407</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(36,321)		3	(469)	123,498
OTHER FINANCING SOURCES (USES)							
Transfers in		14,078	63,700				
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>14,078</b>	<b>63,700</b>				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		14,078	27,379		3	(469)	123,498
FUND BALANCES - JANUARY 1						469	221,552
FUND BALANCES - DECEMBER 31	\$ 0	\$ 14,078	\$ 27,379	\$ 0	\$ 3	\$ 0	\$ 345,050

GARLAND COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS			Totals
	Detention Facilities Construction	Road Improvement Construction	Court Cost and Fine	2011 Sales and Use Tax Bond	2015 Capital Improvement Refunding Revenue Bond	2016 Sales and Use Tax Bond	
REVENUES							
State aid							\$ 1,315,541
Federal aid							498,373
Property taxes							2,759,539
Sales taxes						\$ 3,684,714	9,647,153
Fines, forfeitures, and costs			\$ 908,800				1,348,991
Interest	\$ 100	\$ 516,245		\$ 892	\$ 1,595	4,392	685,733
Officers' fees							817,290
Donations							55,994
Sanitation fees							7,544,276
911 fees							861,506
Commissary sales							184,868
Jail fees							2,526,477
Net increase (decrease) in the fair value of investments		(115,234)					(157,503)
Treasurer's commission							101,399
Collector's commission							309,920
Other			67,337				1,149,179
<b>TOTAL REVENUES</b>	<b>100</b>	<b>401,011</b>	<b>976,137</b>	<b>892</b>	<b>1,595</b>	<b>3,689,106</b>	<b>29,648,736</b>
Less: Treasurer's commission			5,445				160,717
<b>NET REVENUES</b>	<b>100</b>	<b>401,011</b>	<b>970,692</b>	<b>892</b>	<b>1,595</b>	<b>3,689,106</b>	<b>29,488,019</b>
EXPENDITURES							
Current:							
General government						67,500	2,411,096
Law enforcement	97,035			250			7,797,771
Highways and streets		3,301,680					3,301,680
Public safety							1,334,843
Sanitation							8,692,345
Health							12,000
Recreation and culture							3,068,387
Total Current	97,035	3,301,680		250		67,500	26,618,122
Debt Service:							
Bond principal					225,000	280,000	505,000
Bond interest and other charges					27,613	1,066,338	1,093,951
<b>TOTAL EXPENDITURES</b>	<b>97,035</b>	<b>3,301,680</b>		<b>250</b>	<b>252,613</b>	<b>1,413,838</b>	<b>28,217,073</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(96,935)	(2,900,669)	970,692	642	(251,018)	2,275,268	1,270,946
OTHER FINANCING SOURCES (USES)							
Transfers in					249,647		1,004,829
Transfers out			(1,011,752)	(944,249)			(1,956,001)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>(1,011,752)</b>	<b>(944,249)</b>	<b>249,647</b>		<b>(951,172)</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(96,935)	(2,900,669)	(41,060)	(943,607)	(1,371)	2,275,268	319,774
FUND BALANCES - JANUARY 1	96,935	53,726,905	160,464	943,607	284,254	550,978	78,275,382
FUND BALANCES - DECEMBER 31	\$ 0	\$ 50,826,236	\$ 119,404	\$ 0	\$ 282,883	\$ 2,826,246	\$ 78,595,156

GARLAND COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate automated records system.
Library Operations and Maintenance	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Library - Non-Tax	Established to receive donations to the Library and interest earned on certificates of deposit held by the Library.
Library - First Asset and Investment	Established to receive donations to the Library and interest earned on treasury bills and treasury notes held by the Library.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on a fee schedule contained in an ordinance. Garland County Ordinance no. O-78-17 (May 22, 1979) as amended by Garland County Ordinance no. O-91-07 (March 11, 1991) established fund to receive sanitation fees to be used for the collection and disposal of solid waste.
Assessor's Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Support Collection Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

GARLAND COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.
Garland County Detention Center Maintenance and Operations	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Boating Safety	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.
911 Emergency	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Rescue/ Emergency Response/ Law Enforcement Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Public Defender	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.
Case Coordinator	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Adult Drug Court	Ark. Code Ann. § 16-98-304 and Garland County Ordinance no. 0-13-78 (November 25, 2013) established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.

GARLAND COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201(d) established fund to receive collections from a \$.50 fee levied for delinquent property assessments.
Detention Facility	Garland County Ordinance no. O-13-64 (October 14, 2013) authorizes an Interlocal Detention Services Agreement between Garland County and the City of Hot Springs. The Interlocal Detention Services Agreement allows a 0.375% sales and use tax to be utilized for the operation and maintenance of the Garland County Detention Facility and to pay the costs of housing county and city prisoners.
Water System	Garland County Ordinance no. O-14-65 (September 8, 2014) established fund to receive transfer from Ouachita Memorial Hospital Sale Fund and to track expenses associated with performing studies and for attorney/engineering fees pertaining to the studies of a proposed water system.
Federal Forest Reserve Title III	Garland County Ordinance no. O-05-42 (October 19, 2005) established the fund to receive funds from the USDA Forest Service to be used for certain types of public projects identified in the Secure Rural School and Community Self-Determination Act of 2000.
Court Cost	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used to defray a part of the expense of the administration of justice.
Animal Control	Established to receive funds to be used to pay for vouchers to spay and neuter animals in Garland County and related costs.
Detention Facility Reserve	Established to maintain the detention facility. This fund is supported by investment and interest revenue from the Detention Facility Fund investments. New fund for 2017
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.
J. C., Inc., dba Hot Springs Packing Company	Garland County Ordinance no. O-10-22 (May 10, 2010) established fund to account for an Arkansas Department of Economic Development grant for J.C., Inc., of Hot Springs dba Hot Springs Packing Company.

GARLAND COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Arkansas Drug Courts Capacity Building Project Grant	Garland County Ordinance no. O-15-11 (March 10, 2015) established to receive a federal grant to offset expenses related to the Clinical Overview of the Recovery Experience Conference.
Selective Traffic Enforcement Project (STEP) Grant	Garland County Ordinance no. O-16-66 (September 12, 2016) established fund to receive a grant from the Arkansas State Police Commission for law enforcement expenditures.
Juvenile Detention Grant In Aid	Garland County Ordinance no. O-15-65 (September 24, 2015) established to receive a grant from the Department of Finance and Administration for law enforcement expenditures.
Victims of Crime Act (VOCA) Program Grant	Garland County Ordinance no. O-15-66 (October 12, 2015) established to receive a grant from the Department of Finance and Administration for the Garland County Prosecuting Attorney office expenditures.
State Homeland Security Grant Program	Garland County Ordinance no. O-15-67 (October 12, 2015) established to receive a grant from the Department of Emergency Management for the purchase of machinery and equipment.
Juvenile Court Accountability Grant	Garland County Ordinance no. O-16-11 (February 8, 2016) established fund to receive a grant from the Arkansas Community Correction and the Administrative Office for improvements to the Garland County Juvenile Drug Court.
Accountability Court Grant	Garland County Ordinance no. O-16-26 (April 11, 2016) established fund to receive a grant from Arkansas Community Corrections to provide for expenditures of the Garland County Adult Drug Court Program.
Arkansas Historical Preservation Project (AHPP) Grant	Garland County Ordinance no. O-16-48 (July 11, 2016) established fund to receive a grant from the Arkansas Historical Preservation Grant Program to help clear certain fire code violations and allow for opening the fourth floor of the Courthouse for office space.
Justice Assistance Grant (JAG)	Garland County Ordinance no. O-16-67 (September 12, 2016) established fund to receive a federal grant for law enforcement expenditures.
Hazard Mitigation Assistance Grant	Garland County Ordinance no. O-16-76 (October 10, 2016) established fund to receive a grant from the Hazard Mitigation Assistance Grant Program for public safety expenditures.



GARLAND COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Health Department Grant	Established to receive grant funds from the West Central Arkansas Planning Development District to benefit and sustain the Garland County Health Department.
Garland County Fair Grant	Established to receive a grant from the Arkansas Economic Rural Development Commission to purchase livestock equipment at the County Fairgrounds.
Juvenile Accountability Block Grant	Garland County Ordinance no. O-17-33 (June 12, 2017) established the fund to account for funds received from the Arkansas Department of Human Services / Division of Youth Services and the Arkansas Coalition for Juvenile Justice.
eCrash/eCite System Grant	Garland County Ordinance no. O-17-59 (November 27, 2017) established the fund to receive funds from the Arkansas State Police eCrash/eCite system grant.
Mountain Valley Community Block Grant	Garland County Ordinance no. O-17-61 (November 27, 2017) established the fund to receive a grant from the Arkansas Community and Economic Development Program (ACEDP) for equipment acquisition by Mountain Valley Spring Water.
Fountain Lake Volunteer Fire Department	Garland County Ordinance no. O-16-33 (May 9, 2016) established fund to receive a grant from the Arkansas Economic Rural Development Commission to provide for fire department equipment.
Piney Volunteer Fire Department	Garland County Ordinance no. O-16-73 (October 10, 2016) established fund to receive a grant from the West Central Arkansas Planning and Development District to purchase turn out gear for the fire department.
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.
Detention Facilities Construction	Garland County Ordinance no. O-11-63 (November 14, 2011) authorized the issuance of sales and use tax bonds for the purpose of financing all or a portion of the costs of acquiring, constructing, equipping, and furnishing new and improvements to existing, detention facilities, including particularly, without limitation, a new jail and any necessary land acquisition and utility, road, and parking improvements related thereto.
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.

GARLAND COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
2011 Sales and Use Tax Bond	Garland County Ordinance no. O-11-63 (November 14, 2011) authorized the issuance of sales and use tax bonds for the purpose of financing all or a portion of the costs of acquiring, constructing, equipping, and furnishing new and improvements to existing, detention facilities, including particularly, without limitation, a new jail and any necessary land acquisition and utility, road, and parking improvements related thereto. This fund is to provide for the payment of principal of and interest on Sales and Use Tax Bonds, Series 2011.
2015 Capital Improvement Refunding Revenue Bond	Garland County Ordinance no. O-15-09 (March 9, 2015) established fund for the purpose of providing funds for the payment of principal and interest on the bond issue.
2016 Sales and Use Tax Bond	Garland County Ordinance no. O-16-80 (October 24, 2016) authorized the issuance of sales and use tax bonds for the purpose of financing all or a portion of the cost of new and improvements to existing roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements. This fund to provide for the payment of principal of and interest on Sales and Use Tax Bonds, Series 2016.

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

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

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

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

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

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

GARLAND COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2017  
(Unaudited)

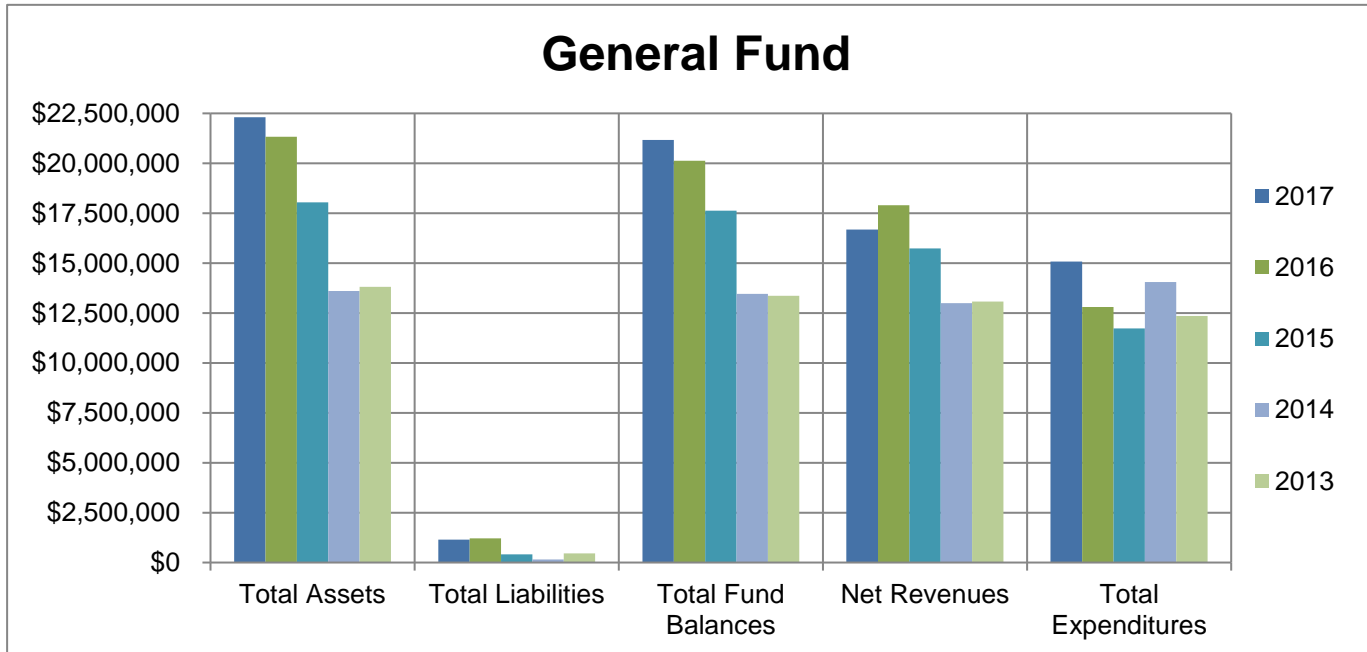
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 3,888,765
Buildings & Improvements	63,208,120
Construction in Progress	920,749
Equipment	21,649,900
Improvements	<u>1,765,742</u>
Total	<u>\$ 91,433,276</u>

GARLAND COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-1

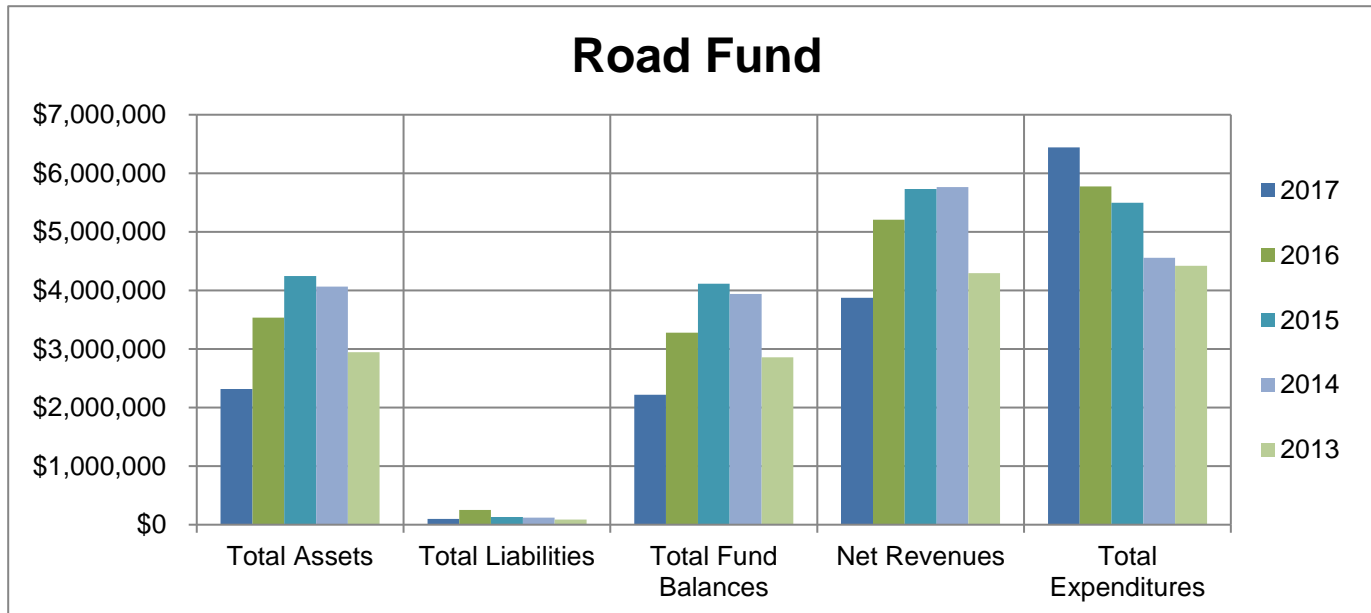
<u>General</u>	2017	2016	2015	2014	2013
Total Assets	\$ 22,312,826	\$ 21,325,455	\$ 18,038,893	\$ 13,605,560	\$ 13,817,809
Total Liabilities	1,141,264	1,206,461	411,424	145,987	456,473
Total Fund Balances	21,171,562	20,118,994	17,627,469	13,459,573	13,361,336
Net Revenues	16,672,193	17,894,287	15,741,706	12,997,924	13,072,849
Total Expenditures	15,070,797	12,800,337	11,719,811	14,053,016	12,358,941
Total Other Financing Sources/Uses	(548,828)	349,992	274,993	1,406,142	(103,549)



GARLAND COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-2

<u>Road</u>	2017	2016	2015	2014	2013
Total Assets	\$ 2,316,288	\$ 3,533,105	\$ 4,243,376	\$ 4,064,297	\$ 2,946,895
Total Liabilities	100,121	252,132	129,425	122,358	86,538
Total Fund Balances	2,216,167	3,280,973	4,113,951	3,941,939	2,860,357
Net Revenues	3,876,833	5,207,848	5,730,301	5,767,421	4,295,809
Total Expenditures	6,441,639	5,774,477	5,495,897	4,556,509	4,419,324
Total Other Financing Sources/Uses	1,500,000	2,511		(130,528)	329,695



GARLAND COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 83,064,092	\$ 81,708,153	\$ 34,874,003	\$ 37,220,095	\$ 56,053,086
Total Liabilities	4,468,936	3,432,771	3,393,611	5,276,031	4,508,760
Total Fund Balances	78,595,156	78,275,382	31,480,392	31,944,064	51,544,326
Net Revenues	29,488,019	30,065,589	32,519,013	31,155,785	29,824,480
Total Expenditures	28,217,073	40,160,030	36,882,609	52,476,428	36,600,324
Total Other Financing Sources/Uses	(951,172)	56,907,649	3,841,167	1,487,337	(217,356)

