

Faulkner County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2014

LEGISLATIVE JOINT AUDITING COMMITTEE



FAULKNER COUNTY, ARKANSAS
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Senate Vice Chair



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Faulkner 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 Faulkner County, Arkansas, as of and for the year ended December 31, 2014, as listed in the table of contents, and the related notes to the financial statements.

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 of 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 controls. 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 matters 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 Faulkner County, Arkansas, as of December 31, 2014, or the revenues, expenditures, and changes in net position and where applicable, cash flows, thereof for the year then ended.

Basis for Adverse Opinion on Regulatory Basis of Accounting

The Homeland Security Law Enforcement Terrorism Prevention Activities, Interoperable Emergency Communications Grant Program, State Homeland Security Grant Program, Juvenile Delinquency Pass through Grant, Juvenile Court Accountability Block Grant, Department of Youth Services Title II Formula Juvenile Grant, and Faulkner County Saltillo Water Extension Funds have not been included in the County's regulatory basis financial statements. The regulatory basis as prescribed or permitted by Ark. Code Ann. § 10-4-412, requires the Homeland Security Law Enforcement Terrorism Prevention Activities, Interoperable Emergency Communications Grant Program, State Homeland Security Grant Program, Juvenile Delinquency Pass through Grant, Juvenile Court Accountability Block Grant, Department of Youth Services Title II Formula Juvenile Grant, and Faulkner County Saltillo Water Extension Funds to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues, and expenditures. The amount by which this departure would affect the assets, liabilities, revenues, and expenditures of the other funds in the aggregate column is not reasonably determinable. The County's financial statements also do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Adverse Opinion on Regulatory Basis of Accounting

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory basis of accounting, as described in Note 1, the financial position of the other funds in the aggregate of Faulkner County, Arkansas, as of December 31, 2014, and the regulatory basis revenues, expenditures, and changes in net position for the year then ended.

Basis for Qualified Opinions on Regulatory Basis of Accounting

The County's financial statements do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the omission of the information described in the "Basis for Qualified Opinions on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund and road fund of Faulkner County, Arkansas, as of December 31, 2014, and 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.

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. Because of the significance of the matters discussed above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

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 October 20, 2015 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
Legislative Auditor

Little Rock, Arkansas
October 20, 2015
LOCO02314

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Linda Chesterfield
Senate Vice Chair



Rep. Mary Broadway
House Chair
Rep. Sue Scott
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

Faulkner 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 Faulkner County, Arkansas, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2015. 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 effect 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 opinion on the other funds in the aggregate was adverse because of the effects on the financial statements of not including the Homeland Security Law Enforcement Terrorism Prevention Activities, Interoperable Emergency Communications Grant Program, State Homeland Security Grant Program, Juvenile Delinquency Pass through Grant, Juvenile Court Accountability Block Grant, Department of Youth Services Title II Formula Juvenile Grant, and Faulkner County Saltillo Water Extension Funds, which are material to other funds in the aggregate. Our opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit risks.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiency to be a material weakness:

2014-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

The County officials, as specified in the Other Issues section of this report, responded and indicated that their offices will segregate the duties relating to initiating, receipting, depositing, disbursing, and recording transactions to the extent possible with the current staffing levels.

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*.

Entity's Response to Finding

The County's response to the finding identified in our audit is described above. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 2014:

County Judge: Alan Dodson
Treasurer: Vickie Elliott
Sheriff: Andy Shock
Tax Collector: Steve Simon
County Clerk: Melinda Reynolds
Circuit Clerk: Rhonda Wharton
Assessor: Angela Hill
County Librarian: Tina Murdock

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

Sheriff

1. Drug buy funds totaling \$790 were reported missing from an undercover officer's vehicle.
2. Prenumbered receipts again were not issued for all items of income, as required by Ark. Code Ann. §§ 14-25-108, 16-10-207.
3. A cash receipts journal was not established for the Communication Facility and Equipment Fund, as required by Ark. Code Ann. § 14-25-112.
4. The balance remaining in the Bond and Fine Fund bank account of \$73,542 was not identified with receipts issued but not yet entered on the arrest report, as required by Ark. Code Ann. § 16-10-207. Also, the remaining balances in the Circuit Bond and Fine and Sheriff's Fee Funds bank accounts of \$196,774 and \$122,353, respectively, were not identified. A similar finding was issued in the prior report.
5. The Bond and Fine, Circuit Bond and Fine, Sheriff's Fee, and Communication Facility and Equipment Funds bank accounts were not reconciled at the end of each month, as required by Ark. Code Ann. §§ 16-10-207, 14-25-107.

We discovered the following information systems weaknesses during a review of computers:

Circuit Clerk

Password controls did not meet minimum industry standards. The minimum number of characters required for passwords was below industry standards. Passwords were not required to be changed on a periodic, recurring basis that did not exceed 90 days. Passwords were not required to be changed after initial logon. Passwords were not required to contain a mixture of alpha and numeric characters. A password history file was not maintained to prevent re-use of previous passwords. User accounts were not locked after three unsuccessful login attempts. Failure to establish proper password controls increases the likelihood that an unauthorized person could gain access to the system.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "June M. Barron".

June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
October 20, 2015

FAULKNER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2014

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 6,526,320	\$ 12,135,188	\$ 26,798,517
Accounts receivable	647,756	199,247	1,123,225
	\$ 7,174,076	\$ 12,334,435	\$ 27,921,742
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 127,712	\$ 139,318	\$ 115,952
Settlements pending			7,313,494
Total Liabilities	127,712	139,318	7,429,446
Fund Balances:			
Restricted	160,937	12,195,117	4,732,169
Committed			15,758,249
Assigned	285,965		1,878
Unassigned	6,599,462		
Total Fund Balances	7,046,364	12,195,117	20,492,296
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,174,076	\$ 12,334,435	\$ 27,921,742

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

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 1,568,548	\$ 3,238,640	\$ 447,051
Federal aid	74,815	191,181	109,883
Property taxes	7,615,711	2,927,388	1,871,312
Sales taxes			8,293,824
Fines, forfeitures, and costs	770,327		560,097
Interest	28,312	53,618	80,753
Officers' fees	226,424		1,144,516
Natural gas severance tax		470,276	
Jail fees	802,682		
911 fees			570,006
Law enforcement reimbursement			28,171
Insurance premiums collected	354,232		
Franchise fees	20,034		
Treasurer's commission	254,453		68,538
Collector's commission	381,000		150,000
Taxes apportioned - Assessor's salary and expense	939,453		
Other	914,376	40,628	202,984
	<u>13,950,367</u>	<u>6,921,731</u>	<u>13,527,135</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>107,188</u>	<u>69,644</u>	<u>39,494</u>
NET REVENUES	<u>13,843,179</u>	<u>6,852,087</u>	<u>13,487,641</u>
EXPENDITURES			
Current:			
General government	9,695,680		943,015
Law enforcement	6,477,893		4,820,429
Highways and streets		4,206,830	844,394
Public safety	190,713		727,959
Health	127,273		
Recreation and culture			1,486,809
Social services	179,387		
Total Current	<u>16,670,946</u>	<u>4,206,830</u>	<u>8,822,606</u>
Debt Service:			
Note principal	646,130		
Note interest	75,872		
TOTAL EXPENDITURES	<u>17,392,948</u>	<u>4,206,830</u>	<u>8,822,606</u>

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (3,549,769)</u>	<u>\$ 2,645,257</u>	<u>\$ 4,665,035</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,374,228		261,967
Transfers out	(2,324)	(225,661)	(1,408,210)
Note proceeds	<u>2,481,559</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,853,463</u>	<u>(225,661)</u>	<u>(1,146,243)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	303,694	2,419,596	3,518,792
FUND BALANCES - JANUARY 1	<u>6,742,670</u>	<u>9,775,521</u>	<u>16,973,504</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 7,046,364</u></u>	<u><u>\$ 12,195,117</u></u>	<u><u>\$ 20,492,296</u></u>

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

FAULKNER 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, 2014

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,438,243	\$ 1,568,548	\$ 130,305	\$ 3,102,000	\$ 3,238,640	\$ 136,640
Federal aid	50,060	74,815	24,755		191,181	191,181
Property taxes	6,552,880	7,615,711	1,062,831	2,400,860	2,927,388	526,528
Fines, forfeitures, and costs	685,235	770,327	85,092			
Interest	17,150	28,312	11,162	27,500	53,618	26,118
Officers' fees	173,750	226,424	52,674			
Natural gas severance tax				130,000	470,276	340,276
Jail fees	245,000	802,682	557,682			
Insurance premiums collected	12,103	354,232	342,129			
Franchise fees	16,500	20,034	3,534			
Treasurer's commission	260,000	254,453	(5,547)			
Collector's commission	385,000	381,000	(4,000)			
Taxes apportioned - Assessor's salary and expense	955,000	939,453	(15,547)			
Other	334,394	914,376	579,982	41,362	40,628	(734)
TOTAL REVENUES	11,125,315	13,950,367	2,825,052	5,701,722	6,921,731	1,220,009
Less: Treasurer's commission		107,188	(107,188)		69,644	(69,644)
NET REVENUES	11,125,315	13,843,179	2,717,864	5,701,722	6,852,087	1,150,365
EXPENDITURES						
Current:						
General government	8,159,306	9,695,680	(1,536,374)			
Law enforcement	11,883,988	6,477,893	5,406,095			
Highways and streets				5,978,739	4,206,830	1,771,909
Public safety	241,578	190,713	50,865			
Health	132,000	127,273	4,727			
Recreation and culture	4,500		4,500			
Social services	189,171	179,387	9,784			
Total Current	20,610,543	16,670,946	3,939,597	5,978,739	4,206,830	1,771,909
Debt Service:						
Note principal		646,130	(646,130)			
Note interest		75,872	(75,872)			
TOTAL EXPENDITURES	20,610,543	17,392,948	3,217,595	5,978,739	4,206,830	1,771,909

FAULKNER 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, 2014

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (9,485,228)</u>	<u>\$ (3,549,769)</u>	<u>\$ 5,935,459</u>	<u>\$ (277,017)</u>	<u>\$ 2,645,257</u>	<u>\$ 2,922,274</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	411,078	1,374,228	963,150			
Transfers out		(2,324)	(2,324)		(225,661)	(225,661)
Note proceeds	<u>2,481,759</u>	<u>2,481,559</u>	<u>(200)</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,892,837</u>	<u>3,853,463</u>	<u>960,626</u>		<u>(225,661)</u>	<u>(225,661)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,592,391)	303,694	6,896,085	(277,017)	2,419,596	2,696,613
FUND BALANCES - JANUARY 1	<u>5,550,000</u>	<u>6,742,670</u>	<u>1,192,670</u>	<u>9,430,000</u>	<u>9,775,521</u>	<u>345,521</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ (1,042,391)</u></u>	<u><u>\$ 7,046,364</u></u>	<u><u>\$ 8,088,755</u></u>	<u><u>\$ 9,152,983</u></u>	<u><u>\$ 12,195,117</u></u>	<u><u>\$ 3,042,134</u></u>

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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. The following funds of the County are not presented in this report: Homeland Security Law Enforcement Terrorism Prevention Activities, Interoperable Emergency Communications Grant Program, State Homeland Security Grant Program, Juvenile Delinquency Pass through Grant, Juvenile Court Accountability Block Grant, Department of Youth Services Title II Formula Juvenile Grant, and Faulkner County Saltillo Water Extension.

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: General, Tax Assessor's Late Assessment, Health Insurance, Commissary, and Drug Buy.

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and natural gas severance taxes 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. The following Special Revenue Funds are reported with other funds in the aggregate: County Recorder's Cost, Breathalyzer, Emergency Squad, County Library, Road Sales Tax, Public Defender, Jail Fees, Juvenile Services (Act 1262 of 1995), Emergency 911, Treasurer's Automation, Jail Fines, Federal Drug Forfeiture, Public Safety Answering Point, Victim/Witness, Child Support, Juvenile Probation Fees, Juvenile Jail Grant, Public Defender Investigator, Juvenile Court Representation, County Clerk's Cost, Collector's Automation, Museum, Public Safety (Act 749 of 1983), Animal Control, Jail Booking, Communication Facility and Equipment, Criminal Justice Sales Tax, Library Sales Tax, Sheriff's Automation, Assessor's Amendment no. 79, Drug Court, Teen Court, Juvenile Court Grant, Circuit Clerk Commissioner's Fee, Fire Equipment and Training (Act 833), Citizen Corp Grant, Mayflower Highway 89 Water Extension, District Court Probation, Voting System Grant, Circuit/District Court Security, and Vilonia Community Safe Room.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Regulatory Fund Accounting (Continued)

Other Funds in the Aggregate (Continued)

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: Treasurer (Treasurer's Commission, Collector's Commission, Collector's Unapportioned, Property Tax Relief, Delinquent Real Estate, Delinquent Personal, Arkansas Forestry Commission, Law Library, Administration of Justice, County General School, DNA Detection Act 737-97, Court Technology Improvement, Drug Crime Assessment, Assessor's Salary, Soil Conservation, State Crime Lab, Sex and Child Offender, Law School, Circuit Court Automation, Expunged Fees, Fire Districts, Cities, Public Schools, and Improvement Districts); Collector (Current Tax, Delinquent Tax, and Credit Card); Sheriff (Fee, Bond and Fine, Circuit Bond and Fine, and Commissary); County Clerk (Fee and Trust); Circuit Clerk (Fee, Child Support, and Trust); and District Court (Juvenile).

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 accounts.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, trust funds, officers' fees, commissions, and property taxes 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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

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

Deposit risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2014 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 2,173
Federal aid			5,823
Property taxes	\$ 360,178	\$ 136,638	80,846
Sales taxes			675,328
Fines, forfeitures, and costs	77,717		48,885
Interest	2,288	858	445
Officers' fees	14,837		80,400
Jail fees	69,664		
911 fees			36,587
Treasurer's commission			7,195
Collector's commission			150,000
Other	29,856	1,185	1,199
Treasurer's commission charged	93,216	60,566	34,344
Totals	<u>\$ 647,756</u>	<u>\$ 199,247</u>	<u>\$ 1,123,225</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2014 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 127,712</u>	<u>\$ 139,318</u>	<u>\$ 115,952</u>

NOTE 6: 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, 2014, the legal debt limit for bonded debt was \$170,683,480. 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, 2014, the legal debt limit for short-term financing obligations was \$44,508,471. The amount of short-term financing obligations was \$4,031,514, leaving a legal debt margin of \$40,476,957.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2014 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government	\$ 132,164		\$ 615,138
Law enforcement	28,773		1,237,284
Highways and streets		\$ 12,195,117	
Public safety			873,465
Recreation and culture			2,004,899
Water			1,383
Total Restricted	160,937	12,195,117	4,732,169
Committed for:			
Law enforcement			2,518,907
Highways and streets			12,946,554
Public safety			178,026
Recreation and culture			114,762
Total Committed			15,758,249
Assigned to:			
General government			1,878
Law enforcement	285,965		
Total Assigned	285,965		1,878
Unassigned	6,599,462		
Totals	\$ 7,046,364	\$ 12,195,117	\$ 20,492,296

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2014:

	December 31, 2014
Long-term liabilities	\$ 4,535,740
Construction contract	5,645
Total Commitments	\$ 4,541,385

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8: Commitments (Continued)

Long-Term Liabilities

Long-term liabilities at December 31, 2014 are comprised of the following:

	December 31, 2014
Promissory Note Series 2013, dated November 7, 2013, with First Security Bank for the construction of the Criminal Justice Building at an interest rate of 2.24%. Four annual interest only payments and one final payment of interest and principal paid on maturity date.	\$ 3,353,870
Promissory Note Series 2014, dated January 10, 2014, with First Security Bank for the construction of the Criminal Justice Building at an interest rate of 2.24%. Four annual interest only payments and one final payment of interest and principal paid on maturity date.	677,644
Compensated absences	504,226
Total Long-Term Liabilities	\$ 4,535,740

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.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2014:

Years Ending December 31,	Notes
2015	\$ 87,869
2016	90,512
2017	90,348
2018	3,444,176
2019	692,823
Total Obligations	4,405,728
Less Interest	374,214
Total Principal	\$ 4,031,514

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2014:

Project Name	Completion Date	Contract Balance December 31, 2014
Criminal Justice Building	September 1, 2015	\$ 5,645

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9: Interfund Transfers

The General Fund transferred \$2,324 to the Other Funds in the Aggregate to defray administrative and operating expenses. The Road Fund transferred \$225,661 to the General Fund for health insurance expenses. The Other Funds in the Aggregate transferred \$1,148,567 to the General Fund to defray administrative, operating, and health insurance expenses. Additionally, within Other Funds in the Aggregate \$259,643 was transferred to defray administrative and operating expenses.

NOTE 10: Joint Venture: Faulkner – Van Buren Regional Library

Faulkner and Van Buren Counties entered into an agreement in June 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the Faulkner – Van Buren Regional Library. The agreement states that the Faulkner – Van Buren Regional Library shall employ a regional librarian approved by the Arkansas Library Commission to serve for such time and on such terms as the Board may prescribe and to be paid from the regional budget. County and branch personnel shall be recommended by the County Library Board and shall be employed only after approval of the regional librarian and the Arkansas Library Commission with such salaries to be paid from county funds. The County Library did not pay any regional library expenditures in 2014. Contact the Faulkner – Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

NOTE 11: Jointly Governed Organization: Twentieth Judicial District Drug Crime Task Force

The Prosecuting Attorney of the Twentieth Judicial District, the Sheriff's Departments of Faulkner, Van Buren, and Searcy Counties, and the Conway Police Department entered into an agreement to establish the Twentieth Judicial District Drug Crime Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Twentieth Judicial District. The County did not provide funding to the Twentieth Judicial District Drug Crime Task Force. Financial statements of the Twentieth Judicial District Drug Crime Task Force are not available.

NOTE 12: 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.

Vehicle Program

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 12: Risk Management (Continued)

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$500,000 per case with an annual aggregate of \$750,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

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 \$250,000 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 13: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS 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 PERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code 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 December 31, 2014 were \$1,607,285.

NOTE 14: Employee Self-Insured Benefit Plan

The County participates in an Employee Self-Insured Benefit Plan administered by CoreSource. The County is required to maintain a benefit plan account which will be sufficient at all times to fund plan benefits and plan related expenses. Insurance premiums collected represent county payments for employees' health insurance, payroll deductions for employee spouse and dependent coverage, and cobra payments received. As of December 31, 2014, the balance in this account was \$87,179 and is reflected in the financial statements as part of the General Fund's restricted fund balance.

NOTE 15: Federal Funds Program Compliance

A separate report was issued for the Edward Byrne Memorial Justice Assistance Grant, Juvenile Justice and Delinquency Prevention – Allocation to States, Law Enforcement Terrorism Prevention Activities (LETPA), State Homeland Security Grant Program (SHSGP), Federal Emergency Management Agency, and National School Lunch Program Grants. The following material instance of noncompliance was reported:

The County's records for expenditures of federal funds are incomplete, and therefore unable to ensure the Schedule of Expenditures of Federal Awards is accurately prepared.

Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS									
	County Recorder's Cost	Breathalyzer	Emergency Squad	County Library	Road Sales Tax	Public Defender	Jail Fees	Juvenile Services (Act 1262 of 1995)	Emergency 911
ASSETS									
Cash and cash equivalents	\$ 44,941	\$ 4,945	\$ 195,160	\$ 1,943,667	\$ 12,637,193	\$ 80,913	\$ 25,097	\$ 8,930	\$ 540,405
Accounts receivable	63,222		5,087	83,879	337,664	3,796	16,206	1,654	38,945
TOTAL ASSETS	\$ 108,163	\$ 4,945	\$ 200,247	\$ 2,027,546	\$ 12,974,857	\$ 84,709	\$ 41,303	\$ 10,584	\$ 579,350
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 454		\$ 218	\$ 22,647	\$ 28,303	\$ 1,411			\$ 1,281
Settlements pending									
Total Liabilities	454		218	22,647	28,303	1,411			1,281
Fund Balances:									
Restricted	105,831	\$ 4,945	22,003	2,004,899		83,298	\$ 41,303	\$ 10,584	578,069
Committed			178,026		12,946,554				
Assigned	1,878								
Total Fund Balances	107,709	4,945	200,029	2,004,899	12,946,554	83,298	41,303	10,584	578,069
TOTAL LIABILITIES AND FUND BALANCES	\$ 108,163	\$ 4,945	\$ 200,247	\$ 2,027,546	\$ 12,974,857	\$ 84,709	\$ 41,303	\$ 10,584	\$ 579,350

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Jail Fines	Federal Drug Forfeiture	Public Safety Answering Point	Victim/Witness	Child Support	Juvenile Probation Fees	Juvenile Jail Grant	Public Defender Investigator
ASSETS									
Cash and cash equivalents	\$ 45,749	\$ 271,303	\$ 13,340	\$ 237,716	\$ 7,501	\$ 73,205	\$ 131,465	\$ 13	\$ 37,640
Accounts receivable	7,195	27,354			2,398	178	10,812		1,325
TOTAL ASSETS	<u>\$ 52,944</u>	<u>\$ 298,657</u>	<u>\$ 13,340</u>	<u>\$ 237,716</u>	<u>\$ 9,899</u>	<u>\$ 73,383</u>	<u>\$ 142,277</u>	<u>\$ 13</u>	<u>\$ 38,965</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 15			\$ 3,247		
Settlements pending									
Total Liabilities				<u>15</u>			<u>3,247</u>		
Fund Balances:									
Restricted	\$ 52,944	\$ 298,657	\$ 13,340	237,701	\$ 9,899	\$ 73,383	139,030	\$ 13	\$ 38,965
Committed									
Assigned									
Total Fund Balances	<u>52,944</u>	<u>298,657</u>	<u>13,340</u>	<u>237,701</u>	<u>9,899</u>	<u>73,383</u>	<u>139,030</u>	<u>13</u>	<u>38,965</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 52,944</u>	<u>\$ 298,657</u>	<u>\$ 13,340</u>	<u>\$ 237,716</u>	<u>\$ 9,899</u>	<u>\$ 73,383</u>	<u>\$ 142,277</u>	<u>\$ 13</u>	<u>\$ 38,965</u>

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

SPECIAL REVENUE FUNDS									
	Juvenile Court Representation	County Clerk's Cost	Collector's Automation	Museum	Public Safety (Act 749 of 1983)	Animal Control	Jail Booking	Communication Facility and Equipment	Criminal Justice Sales Tax
ASSETS									
Cash and cash equivalents	\$ 697	\$ 27,469	\$ 161,235	\$ 47,954	\$ 7,493	\$ 962,430	\$ 113,226	\$ 410,809	\$ 1,261,187
Accounts receivable		4,012	150,000	3,948	31	6,807	1,223	6,323	344,686
TOTAL ASSETS	\$ 697	\$ 31,481	\$ 311,235	\$ 51,902	\$ 7,524	\$ 969,237	\$ 114,449	\$ 417,132	\$ 1,605,873
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 56,203
Settlements pending									
Total Liabilities									\$ 56,203
Fund Balances:									
Restricted	\$ 697	\$ 31,481	\$ 311,235		\$ 7,524		\$ 114,449	\$ 417,132	
Committed				\$ 51,902		\$ 969,237			1,549,670
Assigned									
Total Fund Balances	\$ 697	\$ 31,481	\$ 311,235	\$ 51,902	\$ 7,524	\$ 969,237	\$ 114,449	\$ 417,132	\$ 1,549,670
TOTAL LIABILITIES AND FUND BALANCES	\$ 697	\$ 31,481	\$ 311,235	\$ 51,902	\$ 7,524	\$ 969,237	\$ 114,449	\$ 417,132	\$ 1,605,873

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

	SPECIAL REVENUE FUNDS							
	Library Sales Tax	Sheriff's Automation	Assessor's Amendment no. 79	Drug Court	Teen Court	Juvenile Court Grant	Circuit Clerk Commissioner's Fee	Fire Equipment and Training (Act 833)
ASSETS								
Cash and cash equivalents	\$ 62,860	\$ 19,972	\$ 35,400	\$ 8,365	\$ 20,493	\$ 2,852	\$ 4,560	
Accounts receivable		467			1		299	\$ 2,173
TOTAL ASSETS	\$ 62,860	\$ 20,439	\$ 35,400	\$ 8,365	\$ 20,494	\$ 2,852	\$ 4,859	\$ 2,173
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 2,173
Settlements pending								
Total Liabilities								\$ 2,173
Fund Balances:								
Restricted		\$ 20,439	\$ 35,400	\$ 8,365	\$ 20,494	\$ 2,852	\$ 4,859	
Committed	\$ 62,860							
Assigned								
Total Fund Balances	62,860	20,439	35,400	8,365	20,494	2,852	4,859	
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,860	\$ 20,439	\$ 35,400	\$ 8,365	\$ 20,494	\$ 2,852	\$ 4,859	\$ 2,173

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

	SPECIAL REVENUE FUNDS				
	Mayflower Highway 89 Water Extension	District Court Probation	Voting System Grant	Circuit/District Court Security	Vilonia Community Safe Room
ASSETS					
Cash and cash equivalents	\$ 1,383	\$ 9,253	\$ 5	\$ 29	\$ 28,168
Accounts receivable		3,540			
TOTAL ASSETS	<u>\$ 1,383</u>	<u>\$ 12,793</u>	<u>\$ 5</u>	<u>\$ 29</u>	<u>\$ 28,168</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					
Settlements pending					
Total Liabilities					
Fund Balances:					
Restricted	\$ 1,383	\$ 12,793	\$ 5	\$ 29	\$ 28,168
Committed					
Assigned					
Total Fund Balances	<u>1,383</u>	<u>12,793</u>	<u>5</u>	<u>29</u>	<u>28,168</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,383</u>	<u>\$ 12,793</u>	<u>\$ 5</u>	<u>\$ 29</u>	<u>\$ 28,168</u>

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2014

Schedule 1

AGENCY FUNDS							
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 4,109,580	\$ 548,186	\$ 457,815	\$ 161,727	\$ 2,024,605	\$ 11,581	\$ 26,798,517
Accounts receivable							1,123,225
TOTAL ASSETS	\$ 4,109,580	\$ 548,186	\$ 457,815	\$ 161,727	\$ 2,024,605	\$ 11,581	\$ 27,921,742
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 115,952
Settlements pending	\$ 4,109,580	\$ 548,186	\$ 457,815	\$ 161,727	\$ 2,024,605	\$ 11,581	7,313,494
Total Liabilities	4,109,580	548,186	457,815	161,727	2,024,605	11,581	7,429,446
Fund Balances:							
Restricted							4,732,169
Committed							15,758,249
Assigned							1,878
Total Fund Balances							20,492,296
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,109,580	\$ 548,186	\$ 457,815	\$ 161,727	\$ 2,024,605	\$ 11,581	\$ 27,921,742

FAULKNER 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	County Recorder's Cost	Breathalyzer	Emergency Squad	County Library	Road Sales Tax	Public Defender	Jail Fees	Juvenile Services (Act 1262 of 1995)	Emergency 911
REVENUES									
State aid			\$ 18,031	\$ 184,457	\$ 11,338	\$ 3,349			
Federal aid									\$ 25,121
Property taxes			100,084	1,568,568					
Sales taxes					4,146,912				
Fines, forfeitures, and costs						35,673	\$ 145,380	\$ 16,161	
Interest	\$ 736	\$ 23	763	7,249	51,458	368	238	46	2,515
Officers' fees	704,018								
911 fees									276,021
Law enforcement reimbursement									
Treasurer's commission									
Collector's commission									
Other			121	110,145	3,489				13,455
TOTAL REVENUES	704,754	23	118,999	1,870,419	4,213,197	39,390	145,618	16,207	317,112
Less: Treasurer's commission	7,545		1,117	17,964		367	1,587	171	2,711
NET REVENUES	697,209	23	117,882	1,852,455	4,213,197	39,023	144,031	16,036	314,401
EXPENDITURES									
Current:									
General government	718,354								
Law enforcement						33,909			
Highways and streets					844,394				
Public safety			95,758						256,633
Recreation and culture				1,422,301					
TOTAL EXPENDITURES	718,354		95,758	1,422,301	844,394	33,909			256,633
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,145)	23	22,124	430,154	3,368,803	5,114	144,031	16,036	57,768
OTHER FINANCING SOURCES (USES)									
Transfers in	1,878								
Transfers out	(160,822)			(124,483)		(21)	(150,000)	(15,000)	(29,561)
TOTAL OTHER FINANCING SOURCES (USES)	(158,944)			(124,483)		(21)	(150,000)	(15,000)	(29,561)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(180,089)	23	22,124	305,671	3,368,803	5,093	(5,969)	1,036	28,207
FUND BALANCES - JANUARY 1	287,798	4,922	177,905	1,699,228	9,577,751	78,205	47,272	9,548	549,862
FUND BALANCES - DECEMBER 31	<u>\$ 107,709</u>	<u>\$ 4,945</u>	<u>\$ 200,029</u>	<u>\$ 2,004,899</u>	<u>\$ 12,946,554</u>	<u>\$ 83,298</u>	<u>\$ 41,303</u>	<u>\$ 10,584</u>	<u>\$ 578,069</u>

FAULKNER 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Jail Fines	Federal Drug Forfeiture	Public Safety Answering Point	Victim/Witness	Child Support	Juvenile Probation Fees	Juvenile Jail Grant	Public Defender Investigator
REVENUES									
State aid							\$ 20,783		
Federal aid				\$ 489					
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 307,595			\$ 25,907	\$ 3,110		\$ 11,769	
Interest	\$ 156	2,313	\$ 90	911	46	\$ 339	735	50	\$ 194
Officers' fees						10,088	118,279		
911 fees				293,985					
Law enforcement reimbursement						28,171			
Treasurer's commission	68,538								
Collector's commission									
Other									
TOTAL REVENUES	68,694	309,908	90	295,385	25,953	10,427	150,295	20,833	11,963
Less: Treasurer's commission		3,323			274	107	1,264		132
NET REVENUES	68,694	306,585	90	295,385	25,679	10,320	149,031	20,833	11,831
EXPENDITURES									
Current:									
General government	58,273					8,019			
Law enforcement		162,913	16,613		39,417		158,630		
Highways and streets									
Public safety				251,388					
Recreation and culture									
TOTAL EXPENDITURES	58,273	162,913	16,613	251,388	39,417	8,019	158,630		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,421	143,672	(16,523)	43,997	(13,738)	2,301	(9,599)	20,833	11,831
OTHER FINANCING SOURCES (USES)									
Transfers in					22,446				
Transfers out		(356,720)		(17,340)	(7,180)	(431)	(13,572)	(42,099)	(22,000)
TOTAL OTHER FINANCING SOURCES (USES)		(356,720)		(17,340)	15,266	(431)	(13,572)	(42,099)	(22,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,421	(213,048)	(16,523)	26,657	1,528	1,870	(23,171)	(21,266)	(10,169)
FUND BALANCES - JANUARY 1	42,523	511,705	29,863	211,044	8,371	71,513	162,201	21,279	49,134
FUND BALANCES - DECEMBER 31	<u>\$ 52,944</u>	<u>\$ 298,657</u>	<u>\$ 13,340</u>	<u>\$ 237,701</u>	<u>\$ 9,899</u>	<u>\$ 73,383</u>	<u>\$ 139,030</u>	<u>\$ 13</u>	<u>\$ 38,965</u>

FAULKNER 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, 2014

Schedule 2

SPECIAL REVENUE FUNDS									
	Juvenile Court Representation	County Clerk's Cost	Collector's Automation	Museum	Public Safety (Act 749 of 1983)	Animal Control	Jail Booking	Communication Facility and Equipment	Criminal Justice Sales Tax
REVENUES									
State aid									\$ 37,292
Federal aid									83,242
Property taxes				\$ 76,918		\$ 125,742			4,146,912
Sales taxes									
Fines, forfeitures, and costs					\$ 319	100	\$ 11,318		
Interest	\$ 3	\$ 180	\$ 961	179	34	4,520	511	\$ 18	5,360
Officers' fees		49,027						239,811	
911 fees									
Law enforcement reimbursement									
Treasurer's commission									
Collector's commission			150,000						
Other									47,616
TOTAL REVENUES	3	49,207	150,961	77,097	353	130,362	11,829	239,829	4,320,422
Less: Treasurer's commission		516		788	3	1,290	120		
NET REVENUES	3	48,691	150,961	76,309	350	129,072	11,709	239,829	4,320,422
EXPENDITURES									
Current:									
General government		43,268	99,722						
Law enforcement								221,522	4,177,448
Highways and streets									
Public safety									
Recreation and culture				64,508					
TOTAL EXPENDITURES		43,268	99,722	64,508				221,522	4,177,448
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3	5,423	51,239	11,801	350	129,072	11,709	18,307	142,974
OTHER FINANCING SOURCES (USES)									
Transfers in									237,643
Transfers out		(7,049)	(7,180)	(7,180)					(428,016)
TOTAL OTHER FINANCING SOURCES (USES)		(7,049)	(7,180)	(7,180)					(190,373)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3	(1,626)	44,059	4,621	350	129,072	11,709	18,307	(47,399)
FUND BALANCES - JANUARY 1	694	33,107	267,176	47,281	7,174	840,165	102,740	398,825	1,597,069
FUND BALANCES - DECEMBER 31	\$ 697	\$ 31,481	\$ 311,235	\$ 51,902	\$ 7,524	\$ 969,237	\$ 114,449	\$ 417,132	\$ 1,549,670

FAULKNER 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS								
	Library Sales Tax	Sheriff's Automation	Assessor's Amendment no. 79	Drug Court	Teen Court	Juvenile Court Grant	Circuit Clerk Commissioner's Fee	Fire Equipment and Training (Act 833)	Citizen Corp Grant
REVENUES									
State aid			\$ 12,742	\$ 4,500				\$ 124,180	
Federal aid					\$ 1,031				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				2,690	75				
Interest	\$ 295	\$ 79	163	40	99	\$ 13	\$ 15		
Officers' fees		6,224					4,184		
911 fees									
Law enforcement reimbursement									
Treasurer's commission									
Collector's commission									
Other									
TOTAL REVENUES	295	6,303	12,905	7,230	1,205	13	4,199	124,180	
Less: Treasurer's commission		70			1		43		
NET REVENUES	295	6,233	12,905	7,230	1,204	13	4,156	124,180	
EXPENDITURES									
Current:									
General government									
Law enforcement					4,590	30			
Highways and streets									
Public safety								124,180	
Recreation and culture									
TOTAL EXPENDITURES					4,590	30		124,180	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	295	6,233	12,905	7,230	(3,386)	(17)	4,156	0	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out			(4,900)	(4,500)			(500)		\$ (13)
TOTAL OTHER FINANCING SOURCES (USES)			(4,900)	(4,500)			(500)		(13)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	295	6,233	8,005	2,730	(3,386)	(17)	3,656		(13)
FUND BALANCES - JANUARY 1	62,565	14,206	27,395	5,635	23,880	2,869	1,203		13
FUND BALANCES - DECEMBER 31	<u>\$ 62,860</u>	<u>\$ 20,439</u>	<u>\$ 35,400</u>	<u>\$ 8,365</u>	<u>\$ 20,494</u>	<u>\$ 2,852</u>	<u>\$ 4,859</u>	<u>\$ 0</u>	<u>\$ 0</u>

FAULKNER 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, 2014

Schedule 2

	SPECIAL REVENUE FUNDS					Totals
	Mayflower Highway 89 Water Extension	District Court Probation	Voting System Grant	Circuit/District Court Security	Vilonia Community Safe Room	
REVENUES						
State aid			\$ 15,379	\$ 15,000		\$ 447,051
Federal aid						109,883
Property taxes						1,871,312
Sales taxes						8,293,824
Fines, forfeitures, and costs						560,097
Interest		\$ 9	5	29	\$ 10	80,753
Officers' fees		12,885				1,144,516
911 fees						570,006
Law enforcement reimbursement						28,171
Treasurer's commission						68,538
Collector's commission						150,000
Other					28,158	202,984
TOTAL REVENUES		12,894	15,384	15,029	28,168	13,527,135
Less: Treasurer's commission		101				39,494
NET REVENUES		12,793	15,384	15,029	28,168	13,487,641
EXPENDITURES						
Current:						
General government			15,379			943,015
Law enforcement				5,357		4,820,429
Highways and streets						844,394
Public safety						727,959
Recreation and culture						1,486,809
TOTAL EXPENDITURES			15,379	5,357		8,822,606
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		12,793	5	9,672	28,168	4,665,035
OTHER FINANCING SOURCES (USES)						
Transfers in						261,967
Transfers out				(9,643)		(1,408,210)
TOTAL OTHER FINANCING SOURCES (USES)				(9,643)		(1,146,243)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		12,793	5	29	28,168	3,518,792
FUND BALANCES - JANUARY 1	\$ 1,383					16,973,504
FUND BALANCES - DECEMBER 31	\$ 1,383	\$ 12,793	\$ 5	\$ 29	\$ 28,168	\$ 20,492,296

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
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.
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzers.
Emergency Squad	Faulkner County Ordinance no. 77-23 (June 7, 1977) established fund to provide emergency services to the County.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the Quorum Court for the support, operation, and maintenance of the public library.
Road Sales Tax	Faulkner County Ordinance no. 99-24 (December 28, 1999) and 99-25 (December 28, 1999) established fund to receive road sales tax to be used to construct and maintain roads in the County.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Jail Fees	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.
Juvenile Services (Act 1262 of 1995)	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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
Jail Fines	Faulkner County Ordinance no. 03-14 (July 16, 2003) established fund to help defray the expense of incarcerating prisoners in the County Jail as authorized by Ark. Code Ann. § 16-17-209.
Federal Drug Forfeiture	Fund established to receive federal drug seizure cases.
Public Safety Answering Point	Ark. Code Ann. § 12-10-305 established fund to be used to provide an answering system for emergency calls.

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive District Court costs levied to be used by Prosecuting Attorney for operating Victim/Witness program.
Child Support	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Juvenile Probation Fees	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
Juvenile Jail Grant	Fund established to account for state grant for juvenile incarceration.
Public Defender Investigator	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Juvenile Court Representation	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
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.
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.
Museum	Faulkner County Ordinance no. 01-11 (April 18, 2001) established a voluntary millage to support the county museum.
Public Safety (Act 749 of 1983)	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the District Court fines collected for violations of the Child Passenger Protection Act to be used solely for promotion of public safety.
Animal Control	Faulkner County Ordinance no. 05-11 (May 17, 2005) established a fund to be used for animal control.
Jail Booking	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility.
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.

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
Criminal Justice Sales Tax	Faulkner County Ordinance no. 99-24 (December 28, 1999) and 99-25 (December 28, 1999) established fund to receive sales tax to be used for criminal justice purposes.
Library Sales Tax	Faulkner County Ordinance no. 92-01 (January 22, 1992) established a fund to receive sales tax to be used for library purposes.
Sheriff's Automation	Ark. Code Ann. § 27-53-210 established fund to partially reimburse county law enforcement agency for cost of making copies of accident reports and traffic violations. Funds collected shall be retained for support of the law enforcement agency.
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 Arkansas Constitution, Amendment no. 79.
Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Teen Court	Fund established to account for federal grant for juvenile courts.
Juvenile Court Grant	Fund established to account for federal grant for juvenile courts.
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.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the County to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.
Citizen Corp Grant	Fund established to account for federal grant for Citizen Corp.
Mayflower Highway 89 Water Extension	Fund established to account for federal grant for Mayflower Hwy 89 water extension.
District Court Probation	Ark. Code Ann. § 5-4-322 authorizes District Court probation fees for probation and public service work supervision.
Voting System Grant	Ark. Code Ann. § 19-5-1247 established fund to receive grants from the Secretary of State County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2014

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

Fund Name	Fund Description
Circuit/District Court Security	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.
Vilonia Community Safe Room	Fund established to account for Arkansas Community Foundation grant for a safe room in Vilonia.

Treasurer's accounts consist primarily of property taxes, Treasurer's commission, and interest not distributed to the appropriate entities.

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

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

County Clerk's accounts consist of trust money and settlements due to Treasurer.

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

Juvenile Court Accounts consist primarily of fines and costs not yet distributed to the county and/or state.

FAULKNER COUNTY, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2014
 (Unaudited)

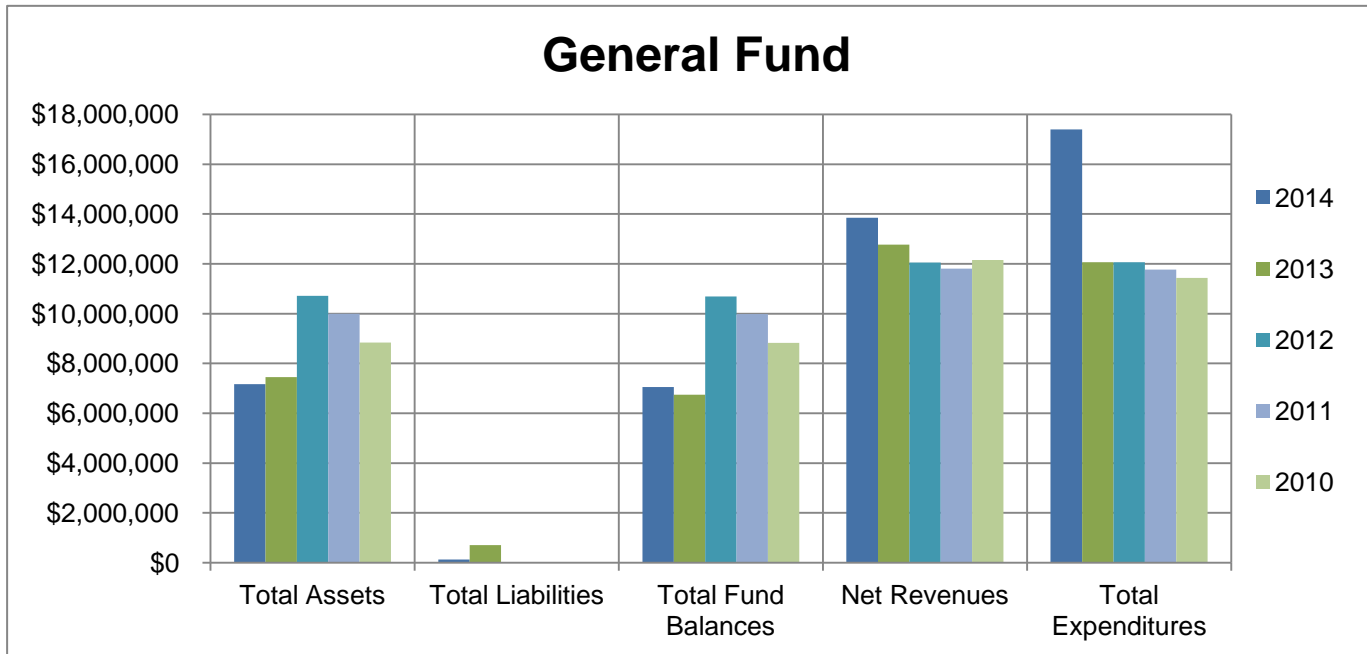
Schedule 3

	<u>December 31, 2014</u>
General Fixed Assets	
Land and Buildings	\$ 17,597,704
Equipment	<u>14,441,246</u>
Total	<u>32,038,950</u>
Fixed Assets - Library	
Land and Buildings	4,057,390
Equipment	<u>309,931</u>
Total	<u>4,367,321</u>
Fixed Assets - Museum	
Land and Buildings	105,000
Equipment	<u>14,526</u>
Total	<u>119,526</u>
Total Capital Assets	<u><u>\$ 36,525,797</u></u>

FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-1

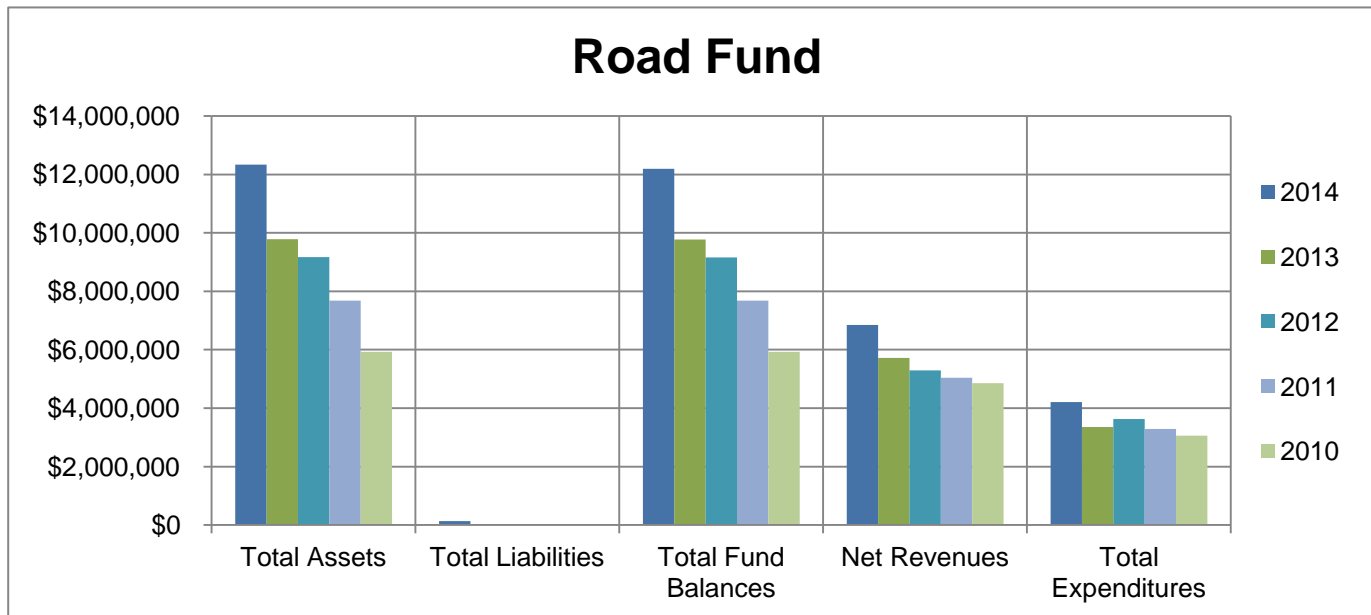
General	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assets	\$ 7,174,076	\$ 7,448,175	\$ 10,707,748	\$ 9,989,558	\$ 8,837,586
Total Liabilities	127,712	705,505	23,469	9,500	18,356
Total Fund Balances	7,046,364	6,742,670	10,684,279	9,980,058	8,819,230
Net Revenues	13,843,179	12,765,365	12,049,994	11,812,115	12,152,039
Total Expenditures	17,392,948	12,058,477	12,058,477	11,770,573	11,435,299
Total Other Financing Sources/Uses	3,853,463	5,006,637	777,510	1,119,286	388,017



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-2

<u>Road</u>	2014	2013	2012	2011	2010
Total Assets	\$ 12,334,435	\$ 9,784,201	\$ 9,167,076	\$ 7,682,956	\$ 5,933,476
Total Liabilities	139,318	8,680	6,256		
Total Fund Balances	12,195,117	9,775,521	9,160,820	7,682,956	5,933,476
Net Revenues	6,852,087	5,719,967	5,291,806	5,037,549	4,857,846
Total Expenditures	4,206,830	3,350,371	3,631,748	3,288,069	3,064,551
Total Other Financing Sources/Uses	(225,661)	(1,754,895)			



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2014
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assets	\$ 27,921,742	\$ 23,522,166	\$ 21,561,037	\$ 20,690,425	\$ 17,029,029
Total Liabilities	7,429,446	6,548,662	5,778,814	5,635,881	4,175,886
Total Fund Balances	20,492,296	16,973,504	15,782,223	15,054,544	12,853,143
Net Revenues	13,487,641	13,319,642	13,027,393	12,549,643	13,928,038
Total Expenditures	8,822,606	11,074,100	11,560,799	9,930,091	11,011,557
Total Other Financing Sources/Uses	(1,146,243)	(1,055,657)	(777,510)	(418,135)	(388,017)

