

Faulkner County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2016

LEGISLATIVE JOINT AUDITING COMMITTEE



FAULKNER COUNTY, ARKANSAS
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Arkansas

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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

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, 2016, 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 Faulkner County, Arkansas, as of December 31, 2016, 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 Faulkner County, Arkansas, as of December 31, 2016, 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 June 28, 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
June 28, 2018
LOCO02316

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

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, 2016, and the related notes to the financial statements, and have issued our report thereon dated June 28, 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 2016:

County Judge: Jim Baker
Treasurer: Scott Sanson
Sheriff: Matt Rice
Tax Collector: Steve Simon
County Clerk: Tammie Lemings (appointed October 19, 2016)
Margaret Darter (resigned October 11, 2016)
Circuit Clerk: Rhonda Wharton
Assessor: Angela Hill
County Librarian: John McGraw

Our audit procedures indicated that the offices of **County Judge, Treasurer, 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 **Sheriff**.

County Sheriff

The balance remaining in the Bond and Fine bank account of \$106,780 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 balance in the Circuit Bond and Fine and Sheriff's Fee bank accounts of \$213,604 and \$106,020, respectively, were not identified. A similar finding was issued in the prior report.

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
June 28, 2018

FAULKNER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2016

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 5,635,082	\$ 10,610,887	\$ 21,117,329
Accounts receivable	512,891	170,786	1,161,005
TOTAL ASSETS	<u>\$ 6,147,973</u>	<u>\$ 10,781,673</u>	<u>\$ 22,278,334</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 122,985	\$ 22,470	\$ 184,985
Settlements pending			9,936,833
Total Liabilities	<u>122,985</u>	<u>22,470</u>	<u>10,121,818</u>
Fund Balances:			
Restricted	314,611	10,759,203	5,470,342
Committed			6,686,174
Assigned	105,268		
Unassigned	5,605,109		
Total Fund Balances	<u>6,024,988</u>	<u>10,759,203</u>	<u>12,156,516</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,147,973</u>	<u>\$ 10,781,673</u>	<u>\$ 22,278,334</u>

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, 2016

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,348,689	\$ 3,651,398	\$ 706,721
Federal aid	18,734	221,025	306,592
Property taxes	7,653,643	2,908,607	1,936,083
Sales taxes			8,403,064
Fines, forfeitures, and costs	660,629		588,666
Interest	28,450	57,070	67,499
Officers' fees	227,170		1,287,783
Natural gas severance tax		262,903	
Insurance premiums collected	414,492		
Jail fees	1,142,573		3,185
911 fees			564,893
Treasurer's commission	336,545		142,988
Collector's commission	652,992		
Taxes apportioned - Assessor's salary and expense	1,100,273		
Other	779,904	34,848	324,592
TOTAL REVENUES	14,364,094	7,135,851	14,332,066
Less: Treasurer's commission	86,330	52,262	99,367
NET REVENUES	14,277,764	7,083,589	14,232,699
EXPENDITURES			
Current:			
General government	7,096,214		812,370
Law enforcement	6,839,594		5,891,291
Highways and streets		6,275,773	9,639,478
Public safety	72,570		641,756
Health	57,000		
Recreation and culture			1,567,963
Social services	234,055		
Total Current	14,299,433	6,275,773	18,552,858
Debt Service:			
Note principal	949,716		
Note interest	50,284		
TOTAL EXPENDITURES	15,299,433	6,275,773	18,552,858

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,021,669)	\$ 807,816	\$ (4,320,159)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,252,679		
Transfers out		(359,008)	(893,671)
TOTAL OTHER FINANCING SOURCES (USES)	1,252,679	(359,008)	(893,671)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	231,010	448,808	(5,213,830)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	5,911,672	10,310,395	17,340,152
Restatement adjustment (Note 10)	(117,694)		30,194
FUND BALANCES - JANUARY 1, AS RESTATED	5,793,978	10,310,395	17,370,346
FUND BALANCES - DECEMBER 31	\$ 6,024,988	\$ 10,759,203	\$ 12,156,516

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, 2016

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,114,500	\$ 1,348,689	\$ 234,189	\$ 3,407,000	\$ 3,651,398	\$ 244,398
Federal aid		18,734	18,734		221,025	221,025
Property taxes	7,182,000	7,653,643	471,643	2,747,000	2,908,607	161,607
Fines, forfeitures, and costs	738,000	660,629	(77,371)			
Interest	25,550	28,450	2,900	30,000	57,070	27,070
Officers' fees	261,500	227,170	(34,330)			
Natural gas severance tax					262,903	262,903
Insurance premiums collected	3,278,585	414,492	(2,864,093)			
Jail fees	950,000	1,142,573	192,573			
Franchise fees	4,000		(4,000)			
Treasurer's commission	360,000	336,545	(23,455)			
Collector's commission	425,000	652,992	227,992			
Taxes apportioned - Assessor's salary and expense	2,090,000	1,100,273	(989,727)			
Other	261,700	779,904	518,204	35,000	34,848	(152)
TOTAL REVENUES	16,690,835	14,364,094	(2,326,741)	6,219,000	7,135,851	916,851
Less: Treasurer's commission		86,330	(86,330)		52,262	(52,262)
NET REVENUES	16,690,835	14,277,764	(2,413,071)	6,219,000	7,083,589	864,589
EXPENDITURES						
Current:						
General government	8,435,401	7,096,214	1,339,187			
Law enforcement	9,381,105	6,839,594	2,541,511			
Highways and streets				8,919,488	6,275,773	2,643,715
Public safety	170,192	72,570	97,622			
Health	57,000	57,000	0			
Social services	234,194	234,055	139			
Total Current	18,277,892	14,299,433	3,978,459	8,919,488	6,275,773	2,643,715
Debt Service:						
Note principal		949,716	(949,716)			
Note interest		50,284	(50,284)			
TOTAL EXPENDITURES	18,277,892	15,299,433	2,978,459	8,919,488	6,275,773	2,643,715

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, 2016

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,587,057)</u>	<u>\$ (1,021,669)</u>	<u>\$ 565,388</u>	<u>\$ (2,700,488)</u>	<u>\$ 807,816</u>	<u>\$ 3,508,304</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	165,000	1,252,679	1,087,679			
Transfers out				<u>(359,008)</u>	<u>(359,008)</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>165,000</u>	<u>1,252,679</u>	<u>1,087,679</u>	<u>(359,008)</u>	<u>(359,008)</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(1,422,057)</u>	<u>231,010</u>	<u>1,653,067</u>	<u>(2,700,488)</u>	<u>448,808</u>	<u>3,149,296</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	3,569,421	5,911,672	2,342,251	10,267,562	10,310,395	42,833
Restatement adjustment (Note 10)		<u>(117,694)</u>	<u>(117,694)</u>			
FUND BALANCES - JANUARY 1, AS RESTATED	<u>3,569,421</u>	<u>5,793,978</u>	<u>2,224,557</u>	<u>10,267,562</u>	<u>10,310,395</u>	<u>42,833</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,147,364</u></u>	<u><u>\$ 6,024,988</u></u>	<u><u>\$ 3,877,624</u></u>	<u><u>\$ 7,567,074</u></u>	<u><u>\$ 10,759,203</u></u>	<u><u>\$ 3,192,129</u></u>

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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.

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. See Schedules 1 and 2 for Special Revenue 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.

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1: Summary of Significant Accounting Policies (Continued)

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, officer's 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.
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 Voting System Grant, Mayflower Highway 89 Water Extension, Homeland Security Law Enforcement Terrorism Prevention Activities – Federal, State Homeland Security Grant Program – Federal, and 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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Fund Balance Classification Policies and Procedures (Continued)

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,191,095	\$ 2,190,723
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	35,170,363	36,466,743
Total Deposits	\$ 37,361,458	\$ 38,657,466

The above total deposits do not include cash on hand of \$1,840.

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, 2016, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid		\$ 4,880	
Property taxes	\$ 215,914	86,859	\$ 58,915
Sales taxes			707,112
Fines, forfeitures, and costs	42,685		43,745
Interest	2,112	720	660
Officers' fees	11,660		75,591
Insurance premiums collected	734		
Jail fees	62,246		1,490
911 fees			32,438
Treasurer's commission	27,832		89,976
Other	19,195		2,803
Treasurer's commission charged	130,513	78,327	148,275
Totals	\$ 512,891	\$ 170,786	\$ 1,161,005

FAULKNER COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2016, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 122,985	\$ 22,470	\$ 184,985

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2016, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government	\$ 314,611		\$ 978,653
Law enforcement			1,064,850
Highways and streets		\$ 10,759,203	
Public safety			1,086,908
Recreation and culture			2,339,931
Total Restricted	<u>314,611</u>	<u>10,759,203</u>	<u>5,470,342</u>
Committed for:			
Law enforcement			2,709,658
Highways and streets			3,914,203
Recreation and culture			62,313
Total Committed			<u>6,686,174</u>
Assigned to:			
Law enforcement	<u>105,268</u>		
Unassigned			
	<u>5,605,109</u>		
Totals	<u>\$ 6,024,988</u>	<u>\$ 10,759,203</u>	<u>\$ 12,156,516</u>

NOTE 7: 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, 2016, the legal debt limit for bonded debt was \$175,777,841. 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, 2016, the legal debt limit for short-term financing obligations was \$45,985,374. The amount of short-term financing obligations was \$1,928,756, leaving a legal debt margin of \$44,056,618.

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2016:

	December 31, 2016
Long-term liabilities	<u>\$ 2,547,017</u>

FAULKNER COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016

NOTE 8: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2016, are comprised of the following:

	December 31, 2016
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.	\$ 1,928,756
Compensated absences	618,261
Total Long-term liabilities	\$ 2,547,017

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, 2016:

Years Ending December 31,	Notes
2017	\$ 43,204
2018	1,971,960
Total Obligations	2,015,164
Less Interest	86,408
Total Principal	\$ 1,928,756

NOTE 9: Interfund Transfers

The Road Fund transferred \$359,008 to the General Fund for employer health insurance contributions. The Other Funds in the Aggregate transferred \$893,532 to the General Fund for employer health insurance contributions and \$139 to close out the Vilonia Safe Room Fund.

NOTE 10: Prior Year Restatement

The beginning fund balances for the General Fund and the Other Funds in the Aggregate were decreased and increased, respectively, by \$117,694 and \$30,194, to reflect the reclassification of the Drug Control Fund from the General Fund to a Special Revenue Fund and for the correction of a prior year's error.

NOTE 11: 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 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 2016. Contact the Faulkner – Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 12: Jointly Governed Organizations

Twentieth Judicial 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 Drug Crime Task Force. Financial statements of the Twentieth Judicial District Drug Crime Task Force are not available.

Faulkner County Solid Waste Management District

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Faulkner County Regional Solid Waste Management District and Board was organized to protect the public health and environmental quality through development and maintenance of a solid waste plan for the people of Faulkner County. The District is governed by a Board of Directors comprised of Mayors and other officials from each of the first class cities in Faulkner County as well as the County Judge. The County did not provide any funding for the Faulkner County Solid Waste Management District. Separate financial statements of the Faulkner County Solid Waste Management are available at 4550 US Highway 64, Conway, AR 72034.

NOTE 13: 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.

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.

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 14: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2016 (date of APERS Employer Allocation Report) were \$1,836,945.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2016 (actuarial valuation date and measurement date) was \$16,720,692.

NOTE 15: 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, 2016, the balance in this account was \$271,345 and is reflected in the financial statements as part of the General Fund's restricted fund balance.

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

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	Sheriff's Automation	Child Support	Drug Control
ASSETS									
Cash and cash equivalents	\$ 112,361	\$ 254,807	\$ 8,848	\$ 39,039	\$ 27,157	\$ 327,588	\$ 31,181	\$ 62,541	\$ 20,427
Accounts receivable	89,984	30	1,376	223	4,662	68,501	373	132	3
TOTAL ASSETS	\$ 202,345	\$ 254,837	\$ 10,224	\$ 39,262	\$ 31,819	\$ 396,089	\$ 31,554	\$ 62,673	\$ 20,430
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 134	\$ 13,191		\$ 53		\$ 194			
Settlements pending									
Total Liabilities	134	13,191		53		194			
Fund Balances:									
Restricted	202,211	241,646	\$ 10,224	39,209	\$ 31,819	395,895	\$ 31,554	\$ 62,673	\$ 20,430
Committed									
Total Fund Balances	202,211	241,646	10,224	39,209	31,819	395,895	31,554	62,673	20,430
TOTAL LIABILITIES AND FUND BALANCES	\$ 202,345	\$ 254,837	\$ 10,224	\$ 39,262	\$ 31,819	\$ 396,089	\$ 31,554	\$ 62,673	\$ 20,430

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

Schedule 1

SPECIAL REVENUE FUNDS

	Breathalyzer	Jail Fees	Jail Booking	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation
ASSETS								
Cash and cash equivalents	\$ 4,995	\$ 27,260	\$ 23,802	\$ 510,533	\$ 96,330	\$ 12,143	\$ 17,860	\$ 149,682
Accounts receivable	1	15,276	2,242	35,023	3,184	2,304	1,272	9,153
TOTAL ASSETS	\$ 4,996	\$ 42,536	\$ 26,044	\$ 545,556	\$ 99,514	\$ 14,447	\$ 19,132	\$ 158,835
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 740	\$ 767			\$ 152
Settlements pending								
Total Liabilities				<u>740</u>	<u>767</u>			<u>152</u>
Fund Balances:								
Restricted	\$ 4,996	\$ 42,536	\$ 26,044	544,816	98,747	\$ 14,447	\$ 19,132	158,683
Committed								
Total Fund Balances	<u>4,996</u>	<u>42,536</u>	<u>26,044</u>	<u>544,816</u>	<u>98,747</u>	<u>14,447</u>	<u>19,132</u>	<u>158,683</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,996	\$ 42,536	\$ 26,044	\$ 545,556	\$ 99,514	\$ 14,447	\$ 19,132	\$ 158,835

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

Schedule 1

SPECIAL REVENUE FUNDS

	Drug Court	Public Safety (Act 749 of 1983)	Juvenile Probation Fees	Juvenile Court Representation	Voting System Grant	Circuit Clerk Commissioner's Fee	Emergency Squad	Museum
ASSETS								
Cash and cash equivalents	\$ 23,462	\$ 7,957	\$ 50,589	\$ 704	\$ 5	\$ 4,782	\$ 276,574	\$ 49,816
Accounts receivable	70	10	5,559			413	5,205	4,161
TOTAL ASSETS	\$ 23,532	\$ 7,967	\$ 56,148	\$ 704	\$ 5	\$ 5,195	\$ 281,779	\$ 53,977
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 2,231				\$ 1,242	\$ 31
Settlements pending								
Total Liabilities			2,231				1,242	31
Fund Balances:								
Restricted	\$ 23,532	\$ 7,967	53,917	\$ 704	\$ 5	\$ 5,195	280,537	
Committed								53,946
Total Fund Balances	23,532	7,967	53,917	704	5	5,195	280,537	53,946
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,532	\$ 7,967	\$ 56,148	\$ 704	\$ 5	\$ 5,195	\$ 281,779	\$ 53,977

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

Schedule 1

SPECIAL REVENUE FUNDS

	Road Sales Tax	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Public Safety Answering Point	Jail Fines	Teen Court	Juvenile Court Grant
ASSETS								
Cash and cash equivalents	\$ 3,637,623	\$ 1,261,224	\$ 6,938	\$ 1,055,945	\$ 252,336	\$ 167,024	\$ 5,151	\$ 778
Accounts receivable	404,510	6,790	1	406,642		25,526	19	
TOTAL ASSETS	\$ 4,042,133	\$ 1,268,014	\$ 6,939	\$ 1,462,587	\$ 252,336	\$ 192,550	\$ 5,170	\$ 778
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 127,930			\$ 20,943	\$ 131	\$ 8,030		
Settlements pending								
Total Liabilities	127,930			20,943	131	8,030		
Fund Balances:								
Restricted			\$ 6,939		252,205	184,520	\$ 5,170	\$ 778
Committed	3,914,203	\$ 1,268,014		1,441,644				
Total Fund Balances	3,914,203	1,268,014	6,939	1,441,644	252,205	184,520	5,170	778
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,042,133	\$ 1,268,014	\$ 6,939	\$ 1,462,587	\$ 252,336	\$ 192,550	\$ 5,170	\$ 778

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

Schedule 1

	SPECIAL REVENUE FUNDS							
	Juvenile Jail Grant	Circuit/District Court Security	Juvenile Court Grant Non Fed/State	Library Sales Tax	Mayflower Highway 89 Water Extension	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Court Programs Grant
ASSETS								
Cash and cash equivalents	\$ 20,849	\$ 5,255	\$ 6,691	\$ 8,363	\$ 1,383	\$ 162	\$ 1,955	\$ 8,427
Accounts receivable				4				1
TOTAL ASSETS	\$ 20,849	\$ 5,255	\$ 6,691	\$ 8,367	\$ 1,383	\$ 162	\$ 1,955	\$ 8,428
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 20,849	\$ 5,255	\$ 6,691		\$ 1,383	\$ 162	\$ 1,955	\$ 8,428
Committed				\$ 8,367				
Total Fund Balances	<u>20,849</u>	<u>5,255</u>	<u>6,691</u>	<u>8,367</u>	<u>1,383</u>	<u>162</u>	<u>1,955</u>	<u>8,428</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,849	\$ 5,255	\$ 6,691	\$ 8,367	\$ 1,383	\$ 162	\$ 1,955	\$ 8,428

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

Schedule 1

SPECIAL REVENUE FUNDS								
	Juvenile Court Grant	Juvenile Delinquency Pass Through Grant - Federal	Juvenile Court Accountability Block Grant - Federal	Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal	Justice Assistance Grant (JAG) - Federal	Juvenile Drug Court Grant	County Library	Communication Facility and Equipment
ASSETS								
Cash and cash equivalents	\$ 1,094	\$ 7,698	\$ 6,975	\$ 411	\$ 8	\$ 8,630	\$ 2,280,413	\$ 294,720
Accounts receivable							68,355	
TOTAL ASSETS	<u>\$ 1,094</u>	<u>\$ 7,698</u>	<u>\$ 6,975</u>	<u>\$ 411</u>	<u>\$ 8</u>	<u>\$ 8,630</u>	<u>\$ 2,348,768</u>	<u>\$ 294,720</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable						\$ 379	\$ 8,837	
Settlements pending								
Total Liabilities						<u>379</u>	<u>8,837</u>	
Fund Balances:								
Restricted	\$ 1,094	\$ 7,698	\$ 6,975	\$ 411	\$ 8	8,251	2,339,931	\$ 294,720
Committed								
Total Fund Balances	<u>1,094</u>	<u>7,698</u>	<u>6,975</u>	<u>411</u>	<u>8</u>	<u>8,251</u>	<u>2,339,931</u>	<u>294,720</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,094</u>	<u>\$ 7,698</u>	<u>\$ 6,975</u>	<u>\$ 411</u>	<u>\$ 8</u>	<u>\$ 8,630</u>	<u>\$ 2,348,768</u>	<u>\$ 294,720</u>

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016

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	\$ 6,152,246	\$ 995,991	\$ 514,877	\$ 96,917	\$ 2,170,432	\$ 6,370	\$ 21,117,329
Accounts receivable							1,161,005
TOTAL ASSETS	\$ 6,152,246	\$ 995,991	\$ 514,877	\$ 96,917	\$ 2,170,432	\$ 6,370	\$ 22,278,334
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 184,985
Settlements pending	\$ 6,152,246	\$ 995,991	\$ 514,877	\$ 96,917	\$ 2,170,432	\$ 6,370	9,936,833
Total Liabilities	6,152,246	995,991	514,877	96,917	2,170,432	6,370	10,121,818
Fund Balances:							
Restricted							5,470,342
Committed							6,686,174
Total Fund Balances							12,156,516
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,152,246	\$ 995,991	\$ 514,877	\$ 96,917	\$ 2,170,432	\$ 6,370	\$ 22,278,334

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, 2016

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	Sheriff's Automation	Reappraisal Cost	Child Support
REVENUES									
State aid				\$ 18,194				\$ 411,400	
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 14,264						
Interest	\$ 482	\$ 1,635	18	415	\$ 142	\$ 1,385	\$ 157		\$ 357
Officers' fees					55,745	780,263	5,149		7,154
Jail fees									
911 fees									
Treasurer's commission	142,988								
Other	540	188			439	4,590		18,900	
TOTAL REVENUES	144,010	1,823	14,282	18,609	56,326	786,238	5,306	430,300	7,511
Less: Treasurer's commission	6	20	114	149	426	6,296	45		64
NET REVENUES	144,004	1,803	14,168	18,460	55,900	779,942	5,261	430,300	7,447
EXPENDITURES									
Current:									
General government	46,224	125,484		20,362	48,522	557,004			14,774
Law enforcement			15,000					430,300	
Highways and streets									
Public safety									
Recreation and culture									
TOTAL EXPENDITURES	46,224	125,484	15,000	20,362	48,522	557,004		430,300	14,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	97,780	(123,681)	(832)	(1,902)	7,378	222,938	5,261		(7,327)
OTHER FINANCING SOURCES (USES)									
Transfers out		(7,978)			(3,989)	(79,780)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	97,780	(131,659)	(832)	(1,902)	3,389	143,158	5,261		(7,327)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	104,431	373,305	11,056	41,111	28,430	252,737	26,293		70,000
Restatement adjustment (Note 10)									
FUND BALANCES - JANUARY 1, AS RESTATED	104,431	373,305	11,056	41,111	28,430	252,737	26,293		70,000
FUND BALANCES - DECEMBER 31	<u>\$ 202,211</u>	<u>\$ 241,646</u>	<u>\$ 10,224</u>	<u>\$ 39,209</u>	<u>\$ 31,819</u>	<u>\$ 395,895</u>	<u>\$ 31,554</u>	<u>\$ 0</u>	<u>\$ 62,673</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, 2016

Schedule 2

SPECIAL REVENUE FUNDS									
	Drug Control	Breathalyzer	Jail Fees	Jail Booking	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation
REVENUES									
State aid					\$ 4,289	\$ 3,635			
Federal aid					9,251				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 9,649		\$ 150,561	\$ 10,742		36,793	\$ 26,594	\$ 12,198	
Interest	228	\$ 44	341	156	2,749	503	120	67	\$ 670
Officers' fees									107,025
Jail fees				3,185					
911 fees					240,774				
Treasurer's commission									
Other					3,180		230		
TOTAL REVENUES	9,877	44	150,902	14,083	260,243	40,931	26,944	12,265	107,695
Less: Treasurer's commission	2		1,488	105	1,688	277	196	98	867
NET REVENUES	9,875	44	149,414	13,978	258,555	40,654	26,748	12,167	106,828
EXPENDITURES									
Current:									
General government									
Law enforcement	19,639		150,000	115,000		24,124	20,631	26,000	29,090
Highways and streets									
Public safety					204,380				
Recreation and culture									
TOTAL EXPENDITURES	19,639		150,000	115,000	204,380	24,124	20,631	26,000	29,090
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,764)	44	(586)	(101,022)	54,175	16,530	6,117	(13,833)	77,738
OTHER FINANCING SOURCES (USES)									
Transfers out					(19,945)	(7,978)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,764)	44	(586)	(101,022)	34,230	8,552	6,117	(13,833)	77,738
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED		4,952	43,122	127,066	510,586	90,195	8,330	32,965	80,945
Restatement adjustment (Note 10)	30,194								
FUND BALANCES - JANUARY 1, AS RESTATED	30,194	4,952	43,122	127,066	510,586	90,195	8,330	32,965	80,945
FUND BALANCES - DECEMBER 31	<u>\$ 20,430</u>	<u>\$ 4,996</u>	<u>\$ 42,536</u>	<u>\$ 26,044</u>	<u>\$ 544,816</u>	<u>\$ 98,747</u>	<u>\$ 14,447</u>	<u>\$ 19,132</u>	<u>\$ 158,683</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, 2016

Schedule 2

SPECIAL REVENUE FUNDS									
	Drug Court	Public Safety (Act 749 of 1983)	Juvenile Probation Fees	Juvenile Court Representation	Voting System Grant	Circuit Clerk Commissioner's Fee	Emergency Squad	Museum	Road Sales Tax
REVENUES									
State aid							\$ 7,577		
Federal aid	\$ 4,500	\$ 41							
Property taxes							115,413	\$ 94,288	
Sales taxes									\$ 4,201,532
Fines, forfeitures, and costs	5,675	140	\$ 8,596						
Interest	119	43	381	\$ 4		\$ 17	1,269	241	31,121
Officers' fees			68,597			3,425			
Jail fees									
911 fees									
Treasurer's commission									
Other			24,110				1,703	1,573	16,417
TOTAL REVENUES	10,294	224	101,684	4		3,442	125,962	96,102	4,249,070
Less: Treasurer's commission	47	2	636			29	983	744	33,997
NET REVENUES	10,247	222	101,048	4		3,413	124,979	95,358	4,215,073
EXPENDITURES									
Current:									
General government									
Law enforcement	4,500		152,506						
Highways and streets									9,639,478
Public safety							75,486		
Recreation and culture								98,845	
TOTAL EXPENDITURES	4,500		152,506				75,486	98,845	9,639,478
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,747	222	(51,458)	4		3,413	49,493	(3,487)	(5,424,405)
OTHER FINANCING SOURCES (USES)									
Transfers out			(15,956)					(7,978)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,747	222	(67,414)	4		3,413	49,493	(11,465)	(5,424,405)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	17,785	7,745	121,331	700	\$ 5	1,782	231,044	65,411	9,338,608
Restatement adjustment (Note 10)									
FUND BALANCES - JANUARY 1, AS RESTATED	17,785	7,745	121,331	700	5	1,782	231,044	65,411	9,338,608
FUND BALANCES - DECEMBER 31	<u>\$ 23,532</u>	<u>\$ 7,967</u>	<u>\$ 53,917</u>	<u>\$ 704</u>	<u>\$ 5</u>	<u>\$ 5,195</u>	<u>\$ 280,537</u>	<u>\$ 53,946</u>	<u>\$ 3,914,203</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, 2016

Schedule 2

SPECIAL REVENUE FUNDS									
	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Public Safety Answering Point	Jail Fines	Teen Court	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security
REVENUES									
State aid			\$ 53,156	\$ 83				\$ 20,783	\$ 15,000
Federal aid			20,664	15,486					
Property taxes	\$ 151,085								
Sales taxes			4,201,532						
Fines, forfeitures, and costs	759				\$ 311,110	\$ 1,585			
Interest	6,293	\$ 51	5,433	1,164	822	24	\$ 6	49	26
Officers' fees									
Jail fees									
911 fees				324,119					
Treasurer's commission									
Other	2,175		116,436	28,270	1,340	5,000	1,566		
TOTAL REVENUES	160,312	51	4,397,221	369,122	313,272	6,609	1,572	20,832	15,026
Less: Treasurer's commission	1,272	1	33,550	37	2,457	13			
NET REVENUES	159,040	50	4,363,671	369,085	310,815	6,596	1,572	20,832	15,026
EXPENDITURES									
Current:									
General government									
Law enforcement			3,938,551		308,112	1,426	794		9,800
Highways and streets									
Public safety				333,682					
Recreation and culture									
TOTAL EXPENDITURES			3,938,551	333,682	308,112	1,426	794		9,800
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	159,040	50	425,120	35,403	2,703	5,170	778	20,832	5,226
OTHER FINANCING SOURCES (USES)									
Transfers out			(494,633)	(23,934)	(31,912)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	159,040	50	(69,513)	11,469	(29,209)	5,170	778	20,832	5,226
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	1,108,974	6,889	1,511,157	240,736	213,729			17	29
Restatement adjustment (Note 10)									
FUND BALANCES - JANUARY 1, AS RESTATED	1,108,974	6,889	1,511,157	240,736	213,729			17	29
FUND BALANCES - DECEMBER 31	\$ 1,268,014	\$ 6,939	\$ 1,441,644	\$ 252,205	\$ 184,520	\$ 5,170	\$ 778	\$ 20,849	\$ 5,255

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, 2016

Schedule 2

	SPECIAL REVENUE FUNDS								
	Juvenile Court Grant Non Fed/State	Library Sales Tax	Vilonia Community Safe Room	Mayflower Highway 89 Water Extension	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Court Programs Grant	Juvenile Court Grant	Juvenile Delinquency Pass Through Grant - Federal
REVENUES									
State aid									
Federal aid					\$ 194,497				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 31	\$ 129	\$ 43		3	\$ 11	\$ 48	\$ 11	\$ 42
Officers' fees									
Jail fees									
911 fees									
Treasurer's commission									
Other	<u>8,488</u>								
TOTAL REVENUES	<u>8,519</u>	<u>129</u>	<u>43</u>		<u>194,500</u>	<u>11</u>	<u>48</u>	<u>11</u>	<u>42</u>
Less: Treasurer's commission		<u>2</u>	<u>2</u>				<u>1</u>		
NET REVENUES	<u>8,519</u>	<u>127</u>	<u>41</u>		<u>194,500</u>	<u>11</u>	<u>47</u>	<u>11</u>	<u>42</u>
EXPENDITURES									
Current:									
General government									
Law enforcement	3,145				194,497		3,464	2,519	
Highways and streets									
Public safety			28,208						
Recreation and culture		<u>18,398</u>							
TOTAL EXPENDITURES	<u>3,145</u>	<u>18,398</u>	<u>28,208</u>		<u>194,497</u>		<u>3,464</u>	<u>2,519</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,374</u>	<u>(18,271)</u>	<u>(28,167)</u>		<u>3</u>	<u>11</u>	<u>(3,417)</u>	<u>(2,508)</u>	<u>42</u>
OTHER FINANCING SOURCES (USES)									
Transfers out			<u>(139)</u>						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>5,374</u>	<u>(18,271)</u>	<u>(28,306)</u>		<u>3</u>	<u>11</u>	<u>(3,417)</u>	<u>(2,508)</u>	<u>42</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	1,317	26,638	28,306	\$ 1,383	159	1,944	11,845	3,602	7,656
Restatement adjustment (Note 10)									
FUND BALANCES - JANUARY 1, AS RESTATED	<u>1,317</u>	<u>26,638</u>	<u>28,306</u>	<u>1,383</u>	<u>159</u>	<u>1,944</u>	<u>11,845</u>	<u>3,602</u>	<u>7,656</u>
FUND BALANCES - DECEMBER 31	<u>\$ 6,691</u>	<u>\$ 8,367</u>	<u>\$ 0</u>	<u>\$ 1,383</u>	<u>\$ 162</u>	<u>\$ 1,955</u>	<u>\$ 8,428</u>	<u>\$ 1,094</u>	<u>\$ 7,698</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, 2016

Schedule 2

	SPECIAL REVENUE FUNDS						Totals
	Juvenile Court Accountability Block Grant - Federal	Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal	Justice Assistance Grant (JAG) - Federal	Juvenile Drug Court Grant	County Library	Communication Facility and Equipment	
REVENUES							
State aid					\$ 172,604		\$ 706,721
Federal aid	\$ 22,611		\$ 10,742	\$ 28,800			306,592
Property taxes					1,575,297		1,936,083
Sales taxes							8,403,064
Fines, forfeitures, and costs							588,666
Interest	25	\$ 2	8	32	10,582		67,499
Officers' fees						\$ 260,425	1,287,783
Jail fees							3,185
911 fees							564,893
Treasurer's commission							142,988
Other				125	89,322		324,592
TOTAL REVENUES	22,636	2	10,750	28,957	1,847,805	260,425	14,332,066
Less: Treasurer's commission					13,753		99,367
NET REVENUES	22,636	2	10,750	28,957	1,834,052	260,425	14,232,699
EXPENDITURES							
Current:							
General government							812,370
Law enforcement	18,301		10,742	20,706		392,444	5,891,291
Highways and streets							9,639,478
Public safety							641,756
Recreation and culture					1,450,720		1,567,963
TOTAL EXPENDITURES	18,301		10,742	20,706	1,450,720	392,444	18,552,858
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,335	2	8	8,251	383,332	(132,019)	(4,320,159)
OTHER FINANCING SOURCES (USES)							
Transfers out					(199,449)		(893,671)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,335	2	8	8,251	183,883	(132,019)	(5,213,830)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	2,640	409			2,156,048	426,739	17,340,152
Restatement adjustment (Note 10)							30,194
FUND BALANCES - JANUARY 1, AS RESTATED	2,640	409			2,156,048	426,739	17,370,346
FUND BALANCES - DECEMBER 31	\$ 6,975	\$ 411	\$ 8	\$ 8,251	\$ 2,339,931	\$ 294,720	\$ 12,156,516

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2016

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 an automated records system.
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.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Child Support	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Breathalyzer	Ark. Code Ann. § 16-10-308 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzers.
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.
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.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2016

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
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.
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.
District Court Probation	Ark. Code Ann. § 5-4-322 authorizes district court probation fees for probation and public service work supervision.
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.
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.
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 Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile representation.
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.
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.
Emergency Squad	Faulkner County Ordinance no. 77-23 (June 7, 1977) established fund to provide emergency services to the County.
Museum	Faulkner County Ordinance no. 01-11 (April 18, 2001) established a voluntary millage to support the county museum.
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.
Animal Control	Faulkner County Ordinance no. 05-11 (May 17, 2005) established a fund to be used for animal control.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2016

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

<u>Fund Name</u>	<u>Fund Description</u>
Federal Drug Forfeiture	Ark. Code Ann. § 5-64-505 established fund to receive federal drug seizure cases.
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.
Public Safety Answering Point	Ark. Code Ann. § 12-10-305 established fund to be used to provide an answering system for emergency calls.
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.
Teen Court	Established to account for donations for the Teen Court.
Juvenile Court Grant	Established to account for donations administered by juvenile courts.
Juvenile Jail Grant	Established to account for state grant for juvenile incarceration.
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.
Juvenile Court Grant Non Fed/State	Established to receive juvenile court grants from private organizations.
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.
Vilonia Community Safe Room	Established to account for Arkansas Community Foundation grant for a safe room in Vilonia.
Mayflower Highway 89 Water Extension	Established to account for federal grant for Mayflower Hwy 89 water extension.
Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	Established to account for federal grant for Law Enforcement Terrorism Prevention Activities (LETPA) CFDA 97.067.
State Homeland Security Grant Program - Federal	Established to account for federal grant for Law Enforcement State Homeland Security Grant Program (SHSGP) CFDA 97.067.
Juvenile Court Programs Grant	Established to account for federal grant for juvenile courts.
Juvenile Court Grant	Established to account for federal grant for juvenile courts.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2016

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

<u>Fund Name</u>	<u>Fund Description</u>
Juvenile Delinquency Pass Through Grant - Federal	Established to account for federal grant for Juvenile Justice and Delinquency Prevention CFDA 16.540.
Juvenile Court Accountability Block Grant - Federal	Established to account for federal grant for Juvenile Accountability Grant (JAG) CFDA 16.523.
Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal	Established to account for federal grant for Edward Byrne Memorial Assistance Grant CFDA 16.579.
Justice Assistance Grant (JAG) - Federal	Established to account for federal grant for Edward Byrne Memorial Assistance Grant CFDA 16.738.
Juvenile Drug Court Grant	Established to account for federal grant for juvenile drug courts.
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.
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.

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

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, 2016 AND 2015
 (Unaudited)

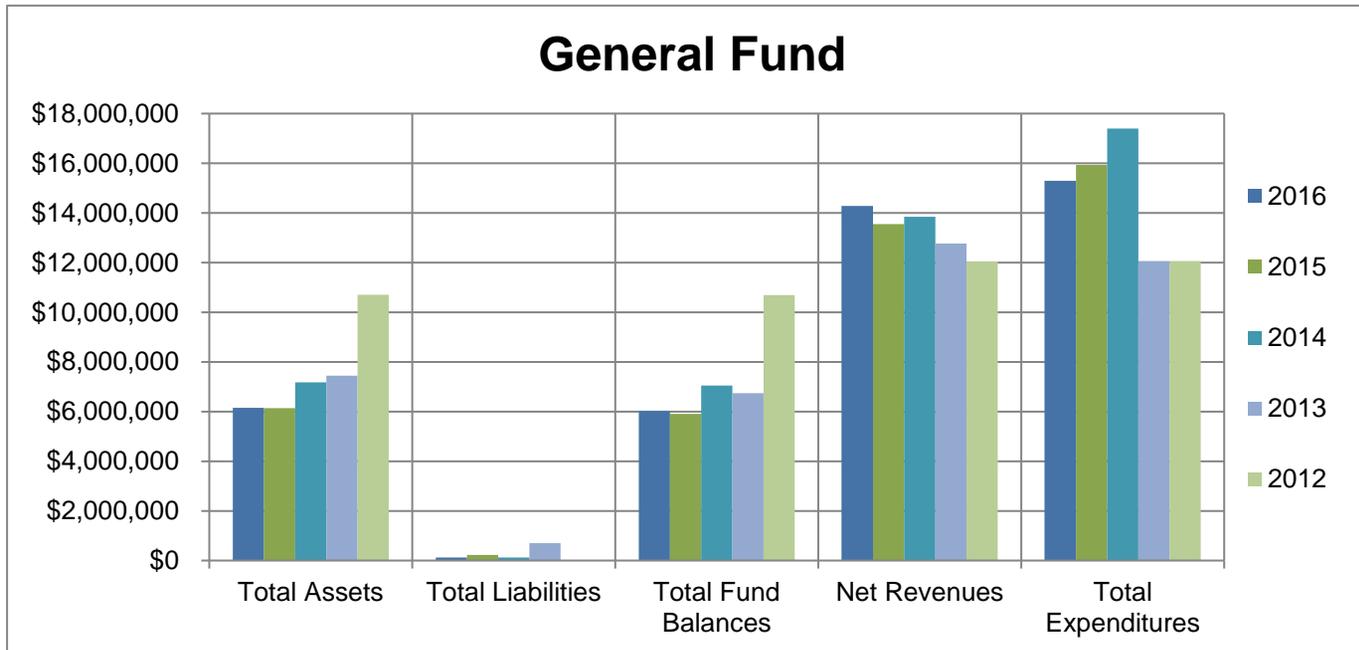
Schedule 3

	December 31, 2016
General Fixed Assets	
Land and buildings	\$ 30,016,683
Equipment	<u>15,988,973</u>
Total	<u>\$ 46,005,656</u>
 Fixed Assets - Library	
Land and buildings	4,057,390
Equipment	<u>323,090</u>
Total	<u>\$ 4,380,480</u>
 Fixed Assets - Museum	
Land and buildings	105,000
Equipment	<u>13,294</u>
Total	<u>\$ 118,294</u>
 Grand Total	<u><u>\$ 50,504,430</u></u>

FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2016
 (Unaudited)

Schedule 4-1

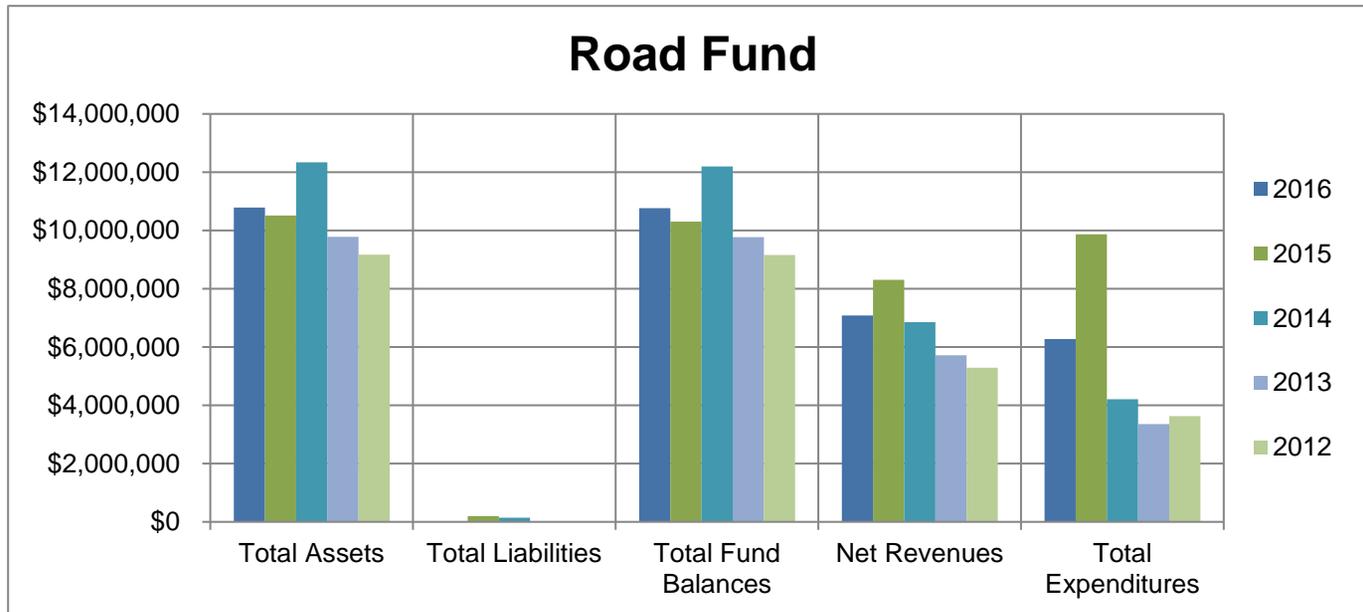
General	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Assets	\$ 6,147,973	\$ 6,134,506	\$ 7,174,076	\$ 7,448,175	\$ 10,707,748
Total Liabilities	122,985	222,834	127,712	705,505	23,469
Total Fund Balances	6,024,988	5,911,672	7,046,364	6,742,670	10,684,279
Net Revenues	14,277,764	13,543,908	13,843,179	12,765,365	12,049,994
Total Expenditures	15,299,433	15,936,115	17,392,948	12,058,477	12,058,477
Total Other Financing Sources/Uses	1,252,679	1,257,515	3,853,463	5,006,637	777,510



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2016
 (Unaudited)

Schedule 4-2

<u>Road</u>	2016	2015	2014	2013	2012
Total Assets	\$ 10,781,673	\$ 10,509,986	\$ 12,334,435	\$ 9,784,201	\$ 9,167,076
Total Liabilities	22,470	199,591	139,318	8,680	6,256
Total Fund Balances	10,759,203	10,310,395	12,195,117	9,775,521	9,160,820
Net Revenues	7,083,589	8,301,464	6,852,087	5,719,967	5,291,806
Total Expenditures	6,275,773	9,870,187	4,206,830	3,350,371	3,631,748
Total Other Financing Sources/Uses	(359,008)	(315,999)	(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, 2016
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Assets	\$ 22,278,334	\$ 26,581,784	\$ 27,921,742	\$ 23,522,166	\$ 21,561,037
Total Liabilities	10,121,818	9,241,632	7,429,446	6,548,662	5,778,814
Total Fund Balances	12,156,516	17,340,152	20,492,296	16,973,504	15,782,223
Net Revenues	14,232,699	14,125,846	13,487,641	13,319,642	13,027,393
Total Expenditures	18,552,858	16,347,433	8,822,606	11,074,100	11,560,799
Total Other Financing Sources/Uses	(893,671)	(941,516)	(1,146,243)	(1,055,657)	(777,510)

