

Faulkner County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



FAULKNER COUNTY, ARKANSAS
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Arkansas



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Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Faulkner County, Arkansas, as of December 31, 2017, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Faulkner County, Arkansas, as of December 31, 2017, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2019, 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
May 21, 2019
LOCO02317

Arkansas

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



Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, 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, 2017, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2019. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Other Issues

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

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

County Judge: Jim Baker
Treasurer: Scott Sanson
Sheriff: Tim Ryals
Tax Collector: Sherry Koonce
County Clerk: Margaret Darter
Circuit Clerk: Crystal Taylor
Assessor: Damon Edwards (appointed July 31, 2017)
 Angela Hill (resigned July 18, 2017)
County Librarian: John McGraw

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

County Librarian

The County Library gave gift cards totaling \$1,050 as prizes in costume contests in apparent conflict with the "public purpose doctrine," as described in Op. Att'y Gen. no. 91-410.

County Judge, Treasurer, and County Clerk

According to County financial records for the period January 1, 2007 through December 31, 2017, the County received restricted funds of \$569,221 that were restricted by Ark. Code Ann. § 16-10-307 for use by the Public Defender's Office, including fines, forfeitures, and costs (\$515,591); state aid (\$41,206); interest (\$9,612); and other (\$2,812). Of the funds received by the County, \$370,602 was expended for the Public Defender's Office; \$203,120 was transferred to the Victim/Witness Fund, in noncompliance with Ark. Code Ann. § 16-10-307; and \$7,351 was charged for treasurer's commission. The combined fund balance for the Public Defender and Public Defender's Investigator Funds was \$125,001 at January 1, 2007, and \$113,149 at December 31, 2017.

County Sheriff

The balance remaining in the Bond and Fine bank account of \$75,320 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 \$201,077 and \$182,224 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
May 21, 2019

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,951,974	\$ 7,984,029	\$ 22,963,596
Accounts receivable	644,946	329,711	1,760,896
TOTAL ASSETS	\$ 4,596,920	\$ 8,313,740	\$ 24,724,492
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 96,789	\$ 250,707	\$ 198,930
Settlements pending			11,143,098
Total Liabilities	96,789	250,707	11,342,028
Fund Balances:			
Restricted	651,912	8,063,033	5,992,501
Committed			7,389,963
Assigned	113,229		
Unassigned	3,734,990		
Total Fund Balances	4,500,131	8,063,033	13,382,464
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,596,920	\$ 8,313,740	\$ 24,724,492

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, 2017

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,239,991	\$ 3,542,344	\$ 646,752
Federal aid	2,520	158,600	951,390
Property taxes	8,042,887	3,069,893	1,872,839
Sales taxes			8,840,874
Fines, forfeitures, and costs	716,456		592,194
Interest	19,546	49,817	53,400
Officers' fees	233,566		1,220,920
Insurance premiums collected	412,866		
Jail fees	876,447		10,739
911 fees			513,748
Natural gas severance tax		292,419	
Treasurer's commission	254,175		92,348
Collector's commission	345,530		701,445
Taxes apportioned - Assessor's salary and expense	1,137,827		44,675
Other	575,231	126,302	261,133
TOTAL REVENUES	13,857,042	7,239,375	15,802,457
Less: Treasurer's commission	85,984	54,698	102,329
NET REVENUES	13,771,058	7,184,677	15,700,128
EXPENDITURES			
Current:			
General government	7,438,153		1,856,479
Law enforcement	6,779,773		5,103,569
Highways and streets		9,475,933	4,004,330
Public safety	199,968		605,975
Health	47,173		
Recreation and culture			1,912,249
Social services	213,808		
Total Current	14,678,875	9,475,933	13,482,602
Debt Service:			
Note principal	1,928,756		
Note interest	31,764		
TOTAL EXPENDITURES	16,639,395	9,475,933	13,482,602

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,868,337)	\$ (2,291,256)	\$ 2,217,526
OTHER FINANCING SOURCES (USES)			
Transfers in	1,343,480		25,000
Transfers out		(404,914)	(963,566)
TOTAL OTHER FINANCING SOURCES (USES)	1,343,480	(404,914)	(938,566)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,524,857)	(2,696,170)	1,278,960
FUND BALANCES - JANUARY 1	6,024,988	10,759,203	12,156,516
Restatement adjustment (Note 15)			(53,012)
FUND BALANCES - JANUARY 1, AS RESTATED	6,024,988	10,759,203	12,103,504
FUND BALANCES - DECEMBER 31	\$ 4,500,131	\$ 8,063,033	\$ 13,382,464

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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,125,000	\$ 1,239,991	\$ 114,991	\$ 3,462,000	\$ 3,542,344	\$ 80,344
Federal aid		2,520	2,520		158,600	158,600
Property taxes	7,570,500	8,042,887	472,387	2,775,500	3,069,893	294,393
Fines, forfeitures, and costs	608,000	716,456	108,456			
Interest	25,000	19,546	(5,454)	30,000	49,817	19,817
Officers' fees	225,300	233,566	8,266			
Insurance premiums collected	3,240,000	412,866	(2,827,134)			
Jail fees	1,085,000	876,447	(208,553)			
Natural gas severance tax					292,419	292,419
Treasurer's commission	295,000	254,175	(40,825)			
Collector's commission	460,000	345,530	(114,470)			
Taxes apportioned - Assessor's salary and expense	1,000,000	1,137,827	137,827			
Other	276,500	575,231	298,731	100,000	126,302	26,302
TOTAL REVENUES	15,910,300	13,857,042	(2,053,258)	6,367,500	7,239,375	871,875
Less: Treasurer's commission		85,984	(85,984)		54,698	(54,698)
NET REVENUES	15,910,300	13,771,058	(2,139,242)	6,367,500	7,184,677	817,177
EXPENDITURES						
Current:						
General government	8,864,279	7,438,153	1,426,126			
Law enforcement	8,462,297	6,779,773	1,682,524			
Highways and streets				12,496,709	9,475,933	3,020,776
Public safety	283,455	199,968	83,487			
Health	47,173	47,173	0			
Social services	213,808	213,808	0			
Total Current	<u>17,871,012</u>	<u>14,678,875</u>	<u>3,192,137</u>	<u>12,496,709</u>	<u>9,475,933</u>	<u>3,020,776</u>
Debt Service:						
Note principal	1,931,582	1,928,756	2,826			
Note interest	31,763	31,764	(1)			
TOTAL EXPENDITURES	19,834,357	16,639,395	3,194,962	12,496,709	9,475,933	3,020,776

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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,924,057)	\$ (2,868,337)	\$ 1,055,720	\$ (6,129,209)	\$ (2,291,256)	\$ 3,837,953
OTHER FINANCING SOURCES (USES)						
Transfers in	15,000	1,343,480	1,328,480			
Transfers out					(404,914)	(404,914)
TOTAL OTHER FINANCING SOURCES (USES)	15,000	1,343,480	1,328,480		(404,914)	(404,914)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,909,057)	(1,524,857)	2,384,200	(6,129,209)	(2,696,170)	3,433,039
FUND BALANCES - JANUARY 1	5,633,383	6,024,988	391,605	10,603,584	10,759,203	155,619
FUND BALANCES - DECEMBER 31	<u>\$ 1,724,326</u>	<u>\$ 4,500,131</u>	<u>\$ 2,775,805</u>	<u>\$ 4,474,375</u>	<u>\$ 8,063,033</u>	<u>\$ 3,588,658</u>

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 312017

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 312017

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 Homeland Security Law Enforcement Terrorism Prevention Activities - Federal, Rocky Gap Water Project, 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 312017

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:

	December 31, 2017	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,248,912	\$ 2,263,462
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	32,579,696	33,493,667
Uninsured and uncollateralized	69,151	113,517
Total Deposits	\$ 34,897,759	\$ 35,870,646

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

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2017, \$113,517 of the Circuit Clerk's bank balances were exposed to custodial credit risk.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 312017

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid		\$ 128,700	\$ 149,289
Property taxes	\$ 281,383	119,005	15,771
Sales taxes			764,192
Fines, forfeitures, and costs	49,575		39,333
Interest	338		
Officers' fees	18,304		71,354
Jail fees	124,332		420
911 fees			111,825
Treasurer's commission	20,064		92,348
Collector's commission			356,400
Other	22,166		9,268
Treasurer's commission charged	128,784	82,006	150,696
Totals	<u>\$ 644,946</u>	<u>\$ 329,711</u>	<u>\$ 1,760,896</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 96,789</u>	<u>\$ 250,707</u>	<u>\$ 198,930</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31 2017

NOTE 6: Details of Fund Balance Classifications

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

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Restricted for:			
General government	\$ 651,912		\$ 1,644,539
Law enforcement			1,069,138
Highways and streets		\$ 8,063,033	
Public safety			1,109,965
Recreation and culture			2,168,859
Total Restricted	<u>651,912</u>	<u>8,063,033</u>	<u>5,992,501</u>
Committed for:			
Law enforcement			2,879,919
Highways and streets			4,463,907
Recreation and culture			46,137
Total Committed			<u>7,389,963</u>
Assigned to:			
Law enforcement	<u>113,229</u>		
Unassigned			
	<u>3,734,990</u>		
Totals	<u>\$ 4,500,131</u>	<u>\$ 8,063,033</u>	<u>\$ 13,382,464</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, 2017, the legal debt limit for bonded debt was \$179,846,778. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2017, the legal debt limit for short-term financing obligations was \$46,915,841. There were no short-term financing obligations.

NOTE 8: Commitments

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

Long-term Liabilities

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

	<u>December 31, 2017</u>
Compensated absences	<u>\$ 567,945</u>

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 312017

NOTE 8: Commitments (Continued)

Post Employment Benefits Other Than Pensions

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

NOTE 9: Interfund Transfers

The Road Fund transferred \$404,914 to the General Fund for employer health insurance contributions. The Other Funds in the Aggregate transferred \$938,566 to the General Fund for employer health insurance contributions. Additionally, within Other Funds in the Aggregate \$25,000 was transferred from the Public Defender Investigator Fund to the Victim/Witness Fund 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 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 2017. Contact the Faulkner – Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

NOTE 11: Jointly Governed Organizations

Twentieth Judicial Drug Crime Task Force

The Prosecuting Attorney of the Twentieth Judicial District, the Sheriffs' 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.

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 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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 312017

NOTE 12: Risk Management (Continued)

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.

NOTE 13: 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, 2017 (date of APERS Employer Allocation Report) were \$1,778,894.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$17,590,143.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31 2017

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, 2017, the balance in this account was \$585,369 and is reflected in the financial statements as part of the General Fund's restricted fund balance.

NOTE 15: Prior Year Restatement

The beginning fund balance of the Other Funds in the Aggregate was decreased by \$53,012 in the Treasurer's Automation Fund for the correction of a prior year error.

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Sheriff's Automation	Child Support	Drug Control
ASSETS									
Cash and cash equivalents	\$ 110,355	\$ 414,626	\$ 7,800	\$ 43,295	\$ 30,095	\$ 446,426	\$ 9,424	\$ 69,117	\$ 39,366
Accounts receivable	92,348	356,400	1,039		3,917	69,578	415	151	2
TOTAL ASSETS	\$ 202,703	\$ 771,026	\$ 8,839	\$ 43,295	\$ 34,012	\$ 516,004	\$ 9,839	\$ 69,268	\$ 39,368
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 529	\$ 22		\$ 13	\$ 96	\$ 529			
Settlements pending									
Total Liabilities	529	22		13	96	529			
Fund Balances:									
Restricted	202,174	771,004	\$ 8,839	43,282	33,916	515,475	\$ 9,839	\$ 69,268	\$ 39,368
Committed									
Total Fund Balances	202,174	771,004	8,839	43,282	33,916	515,475	9,839	69,268	39,368
TOTAL LIABILITIES AND FUND BALANCES	\$ 202,703	\$ 771,026	\$ 8,839	\$ 43,295	\$ 34,012	\$ 516,004	\$ 9,839	\$ 69,268	\$ 39,368

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

Schedule 1

SPECIAL REVENUE FUNDS

	Breathalyzer	Jail Fees	Jail Booking	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation	Drug Court
ASSETS									
Cash and cash equivalents	\$ 5,022	\$ 197,085	\$ 16,322	\$ 684,430	\$ 106,105	\$ 44,293	\$ 5,285	\$ 172,715	\$ 28,140
Accounts receivable		34,899	1,130	114,159	2,663	2,301	1,040	4,332	56
TOTAL ASSETS	\$ 5,022	\$ 231,984	\$ 17,452	\$ 798,589	\$ 108,768	\$ 46,594	\$ 6,325	\$ 177,047	\$ 28,196
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 9,561	\$ 2,643	\$ 15,111	\$ 1,944			\$ 142	
Settlements pending									
Total Liabilities		9,561	2,643	15,111	1,944			142	
Fund Balances:									
Restricted	\$ 5,022	222,423	14,809	783,478	106,824	\$ 46,594	\$ 6,325	176,905	\$ 28,196
Committed									
Total Fund Balances	5,022	222,423	14,809	783,478	106,824	46,594	6,325	176,905	28,196
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,022	\$ 231,984	\$ 17,452	\$ 798,589	\$ 108,768	\$ 46,594	\$ 6,325	\$ 177,047	\$ 28,196

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

Schedule 1

SPECIAL REVENUE FUNDS

	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	Animal Control
ASSETS									
Cash and cash equivalents	\$ 8,086	\$ 66,369	\$ 708	\$ 5	\$ 7,191	\$ 318,098	\$ 43,571	\$ 4,022,547	\$ 1,378,643
Accounts receivable	1,274	4,121			2,224	2,888	3,118	560,091	5,063
TOTAL ASSETS	\$ 9,360	\$ 70,490	\$ 708	\$ 5	\$ 9,415	\$ 320,986	\$ 46,689	\$ 4,582,638	\$ 1,383,706
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 3,172				\$ 5,242	\$ 552	\$ 118,731	
Settlements pending									
Total Liabilities		3,172				5,242	552	118,731	
Fund Balances:									
Restricted	\$ 9,360	67,318	\$ 708	\$ 5	\$ 9,415	315,744			
Committed							46,137	4,463,907	\$ 1,383,706
Total Fund Balances	9,360	67,318	708	5	9,415	315,744	46,137	4,463,907	1,383,706
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,360	\$ 70,490	\$ 708	\$ 5	\$ 9,415	\$ 320,986	\$ 46,689	\$ 4,582,638	\$ 1,383,706

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Federal Drug Forfeiture	Criminal Justice Sales Tax	Teen Court	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security	Juvenile Court Grant Non Fed/State	Mayflower Highway 89 Water Extension	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal
ASSETS									
Cash and cash equivalents		\$ 1,049,194	\$ 10,072	\$ 2,493	\$ 41,783	\$ 5,283	\$ 8,864	\$ 1,383	\$ 180
Accounts receivable	\$ 1	468,306	10						
TOTAL ASSETS	\$ 1	\$ 1,517,500	\$ 10,082	\$ 2,493	\$ 41,783	\$ 5,283	\$ 8,864	\$ 1,383	\$ 180
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 21,287	\$ 1,967						
Settlements pending									
Total Liabilities		21,287	1,967						
Fund Balances:									
Restricted	\$ 1		8,115	\$ 2,493	\$ 41,783	\$ 5,283	\$ 8,864	\$ 1,383	\$ 180
Committed		1,496,213							
Total Fund Balances	1	1,496,213	8,115	2,493	41,783	5,283	8,864	1,383	180
TOTAL LIABILITIES AND FUND BALANCES	\$ 1	\$ 1,517,500	\$ 10,082	\$ 2,493	\$ 41,783	\$ 5,283	\$ 8,864	\$ 1,383	\$ 180

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	State Homeland Security Grant Program - Federal	Juvenile Court Programs Grant	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
ASSETS									
Cash and cash equivalents	\$ 1,965	\$ 3,789	\$ 1,099	\$ 7,739	\$ 3,912	\$ 413	\$ 8	\$ 10,924	\$ 2,156,549
Accounts receivable									29,370
TOTAL ASSETS	<u>\$ 1,965</u>	<u>\$ 3,789</u>	<u>\$ 1,099</u>	<u>\$ 7,739</u>	<u>\$ 3,912</u>	<u>\$ 413</u>	<u>\$ 8</u>	<u>\$ 10,924</u>	<u>\$ 2,185,919</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 329				\$ 17,060
Settlements pending									
Total Liabilities					<u>329</u>				<u>17,060</u>
Fund Balances:									
Restricted	\$ 1,965	\$ 3,789	\$ 1,099	\$ 7,739	3,583	\$ 413	\$ 8	\$ 10,924	2,168,859
Committed									
Total Fund Balances	<u>1,965</u>	<u>3,789</u>	<u>1,099</u>	<u>7,739</u>	<u>3,583</u>	<u>413</u>	<u>8</u>	<u>10,924</u>	<u>2,168,859</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,965</u>	<u>\$ 3,789</u>	<u>\$ 1,099</u>	<u>\$ 7,739</u>	<u>\$ 3,912</u>	<u>\$ 413</u>	<u>\$ 8</u>	<u>\$ 10,924</u>	<u>\$ 2,185,919</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS		AGENCY FUNDS					Totals	
	Communication Facility and Equipment	Local Law Enforcement Block Grant	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts		Juvenile Court Accounts
ASSETS									
Cash and cash equivalents	\$ 239,727	\$ 2	\$ 6,760,085	\$ 1,382,533	\$ 547,093	\$ 157,931	\$ 2,291,449	\$ 4,007	\$ 22,963,596
Accounts receivable									1,760,896
TOTAL ASSETS	<u>\$ 239,727</u>	<u>\$ 2</u>	<u>\$ 6,760,085</u>	<u>\$ 1,382,533</u>	<u>\$ 547,093</u>	<u>\$ 157,931</u>	<u>\$ 2,291,449</u>	<u>\$ 4,007</u>	<u>\$ 24,724,492</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									\$ 198,930
Settlements pending			\$ 6,760,085	\$ 1,382,533	\$ 547,093	\$ 157,931	\$ 2,291,449	\$ 4,007	11,143,098
Total Liabilities			<u>6,760,085</u>	<u>1,382,533</u>	<u>547,093</u>	<u>157,931</u>	<u>2,291,449</u>	<u>4,007</u>	<u>11,342,028</u>
Fund Balances:									
Restricted	\$ 239,727	\$ 2							5,992,501
Committed									7,389,963
Total Fund Balances	<u>239,727</u>	<u>2</u>							<u>13,382,464</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 239,727</u>	<u>\$ 2</u>	<u>\$ 6,760,085</u>	<u>\$ 1,382,533</u>	<u>\$ 547,093</u>	<u>\$ 157,931</u>	<u>\$ 2,291,449</u>	<u>\$ 4,007</u>	<u>\$ 24,724,492</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, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Sheriff's Automation	Reappraisal Cost	Child Support
REVENUES									
State aid				\$ 24,342				\$ 417,025	
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 13,828						
Interest	\$ 677	\$ 1,552	68	267	\$ 170	\$ 2,286	\$ 111		\$ 354
Officers' fees					51,751	782,851	6,377		6,294
Jail fees									
911 fees									
Treasurer's commission	92,348								
Collector's commission		701,445							
Taxes apportioned - Assessor's salary and expense								44,675	
Other						21			
TOTAL REVENUES	93,025	702,997	13,896	24,609	51,921	785,158	6,488	461,700	6,648
Less: Treasurer's commission	13	31	281	492	995	6,274	52		53
NET REVENUES	93,012	702,966	13,615	24,117	50,926	778,884	6,436	461,700	6,595
EXPENDITURES									
Current:									
General government	40,037	160,404		20,044	44,428	578,979		461,700	
Law enforcement			15,000				28,151		
Highways and streets									
Public safety									
Recreation and culture									
TOTAL EXPENDITURES	40,037	160,404	15,000	20,044	44,428	578,979	28,151	461,700	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	52,975	542,562	(1,385)	4,073	6,498	199,905	(21,715)		6,595
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out		(13,204)			(4,401)	(80,325)			
TOTAL OTHER FINANCING SOURCES (USES)		(13,204)			(4,401)	(80,325)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	52,975	529,358	(1,385)	4,073	2,097	119,580	(21,715)		6,595
FUND BALANCES - JANUARY 1	202,211	241,646	10,224	39,209	31,819	395,895	31,554		62,673
Restatement adjustment (Note 15)	(53,012)								
FUND BALANCES - JANUARY 1, AS RESTATED	149,199	241,646	10,224	39,209	31,819	395,895	31,554		62,673
FUND BALANCES - DECEMBER 31	\$ 202,174	\$ 771,004	\$ 8,839	\$ 43,282	\$ 33,916	\$ 515,475	\$ 9,839	\$ 0	\$ 69,268

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, 2017

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						\$ 3,576			
Federal aid					\$ 25,692				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 18,621		\$ 458,857	\$ 12,771		36,790	\$ 26,374	\$ 12,196	
Interest	169	\$ 27	1,123	105	3,324	537	97	97	\$ 911
Officers' fees									76,372
Jail fees				5,695					
911 fees					513,748				
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other	27,406		1,650		26,360				
TOTAL REVENUES	46,196	27	461,630	18,571	569,124	40,903	26,471	12,293	77,283
Less: Treasurer's commission	1	1	3,701	158	1,557	280	194	100	655
NET REVENUES	46,195	26	457,929	18,413	567,567	40,623	26,277	12,193	76,628
EXPENDITURES									
Current:									
General government									
Law enforcement	27,257		278,042	29,648		32,546	10,328		49,604
Highways and streets									
Public safety					280,491				
Recreation and culture									
TOTAL EXPENDITURES	27,257		278,042	29,648	280,491	32,546	10,328		49,604
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,938	26	179,887	(11,235)	287,076	8,077	15,949	12,193	27,024
OTHER FINANCING SOURCES (USES)									
Transfers in							25,000		
Transfers out					(48,414)		(8,802)	(25,000)	(8,802)
TOTAL OTHER FINANCING SOURCES (USES)					(48,414)		16,198	(25,000)	(8,802)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,938	26	179,887	(11,235)	238,662	8,077	32,147	(12,807)	18,222
FUND BALANCES - JANUARY 1	20,430	4,996	42,536	26,044	544,816	98,747	14,447	19,132	158,683
Restatement adjustment (Note 15)									
FUND BALANCES - JANUARY 1, AS RESTATED	20,430	4,996	42,536	26,044	544,816	98,747	14,447	19,132	158,683
FUND BALANCES - DECEMBER 31	\$ 39,368	\$ 5,022	\$ 222,423	\$ 14,809	\$ 783,478	\$ 106,824	\$ 46,594	\$ 6,325	\$ 176,905

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, 2017

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							\$ 7,469		
Federal aid									\$ 137,726
Property taxes							95,320	\$ 69,105	
Sales taxes									4,420,437
Fines, forfeitures, and costs	\$ 4,570	\$ 1,351	\$ 5,296						
Interest	132	43	321	\$ 4		\$ 33	1,402	141	17,288
Officers' fees			56,281			4,206			
Jail fees									
911 fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other			596				5,116	2	13,867
TOTAL REVENUES	4,702	1,394	62,494	4		4,239	109,307	69,248	4,589,318
Less: Treasurer's commission	38	1	505			19	821	536	35,284
NET REVENUES	4,664	1,393	61,989	4		4,220	108,486	68,712	4,554,034
EXPENDITURES									
Current:									
General government									
Law enforcement			48,588						
Highways and streets									4,004,330
Public safety							73,279		
Recreation and culture								67,719	
TOTAL EXPENDITURES			48,588				73,279	67,719	4,004,330
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,664	1,393	13,401	4		4,220	35,207	993	549,704
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out								(8,802)	
TOTAL OTHER FINANCING SOURCES (USES)								(8,802)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,664	1,393	13,401	4		4,220	35,207	(7,809)	549,704
FUND BALANCES - JANUARY 1	23,532	7,967	53,917	704	\$ 5	5,195	280,537	53,946	3,914,203
Restatement adjustment (Note 15)									
FUND BALANCES - JANUARY 1, AS RESTATED	23,532	7,967	53,917	704	5	5,195	280,537	53,946	3,914,203
FUND BALANCES - DECEMBER 31	\$ 28,196	\$ 9,360	\$ 67,318	\$ 708	\$ 5	\$ 9,415	\$ 315,744	\$ 46,137	\$ 4,463,907

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, 2017

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			\$ 164					\$ 20,783	
Federal aid			24,194						
Property taxes	\$ 110,262								
Sales taxes			4,420,437						
Fines, forfeitures, and costs	725					\$ 815			
Interest	6,815	\$ 10	4,622			49	\$ 9	151	\$ 28
Officers' fees									
Jail fees			5,044						
911 fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other	3		59,386			5,000	1,948		
TOTAL REVENUES	117,805	10	4,513,847			5,864	1,957	20,934	28
Less: Treasurer's commission	913		35,182			7			
NET REVENUES	116,892	10	4,478,665			5,857	1,957	20,934	28
EXPENDITURES									
Current:									
General government									
Law enforcement	1,200	6,948	3,878,342		\$ 184,520	2,912	242		
Highways and streets									
Public safety				\$ 252,205					
Recreation and culture									
TOTAL EXPENDITURES	1,200	6,948	3,878,342	252,205	184,520	2,912	242		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	115,692	(6,938)	600,323	(252,205)	(184,520)	2,945	1,715	20,934	28
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out			(545,754)						
TOTAL OTHER FINANCING SOURCES (USES)			(545,754)						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	115,692	(6,938)	54,569	(252,205)	(184,520)	2,945	1,715	20,934	28
FUND BALANCES - JANUARY 1	1,268,014	6,939	1,441,644	252,205	184,520	5,170	778	20,849	5,255
Restatement adjustment (Note 15)									
FUND BALANCES - JANUARY 1, AS RESTATED	1,268,014	6,939	1,441,644	252,205	184,520	5,170	778	20,849	5,255
FUND BALANCES - DECEMBER 31	\$ 1,383,706	\$ 1	\$ 1,496,213	\$ 0	\$ 0	\$ 8,115	\$ 2,493	\$ 41,783	\$ 5,283

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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS														
	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	Juvenile Court Grant	Juvenile Delinquency Pass Through Grant - Federal	Juvenile Court Accountability Block Grant - Federal						
REVENUES															
State aid															
Federal aid				\$	170,573										
Property taxes															
Sales taxes															
Fines, forfeitures, and costs															
Interest	\$	41	\$	15	18	\$	10	\$	35	\$	5	\$	41	\$	30
Officers' fees															
Jail fees															
911 fees															
Treasurer's commission															
Collector's commission															
Taxes apportioned - Assessor's salary and expense															
Other	2,188														
TOTAL REVENUES	2,229	15		170,591	10	35	5	41	30						
Less: Treasurer's commission		1													
NET REVENUES	2,229	14		170,591	10	35	5	41	30						
EXPENDITURES															
Current:															
General government															
Law enforcement	56			170,573		4,674			3,422						
Highways and streets															
Public safety															
Recreation and culture		8,381													
TOTAL EXPENDITURES	56	8,381		170,573		4,674			3,422						
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,173	(8,367)		18	10	(4,639)	5	41	(3,392)						
OTHER FINANCING SOURCES (USES)															
Transfers in															
Transfers out															
TOTAL OTHER FINANCING SOURCES (USES)															
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,173	(8,367)		18	10	(4,639)	5	41	(3,392)						
FUND BALANCES - JANUARY 1	6,691	8,367	\$	1,383	162	1,955	8,428	1,094	7,698	6,975					
Restatement adjustment (Note 15)															
FUND BALANCES - JANUARY 1, AS RESTATED	6,691	8,367	1,383	162	1,955	8,428	1,094	7,698	6,975						
FUND BALANCES - DECEMBER 31	\$ 8,864	\$ 0	\$ 1,383	\$ 180	\$ 1,965	\$ 3,789	\$ 1,099	\$ 7,739	\$ 3,583						

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, 2017

Schedule 2

SPECIAL REVENUE FUNDS								
	Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal	Justice Assistance Grant (JAG) - Federal	Juvenile Drug Court Grant	County Library	Communication Facility and Equipment	Local Law Enforcement Block Grant	Rocky Gap Water Project	Totals
REVENUES								
State aid				\$ 173,393				\$ 646,752
Federal aid		\$ 11,618	\$ 27,200			\$ 3,500	\$ 550,887	951,390
Property taxes				1,598,152				1,872,839
Sales taxes								8,840,874
Fines, forfeitures, and costs								592,194
Interest	\$ 2	1	89	10,188		2		53,400
Officers' fees					\$ 236,788			1,220,920
Jail fees								10,739
911 fees								513,748
Treasurer's commission								92,348
Collector's commission								701,445
Taxes apportioned - Assessor's salary and expense								44,675
Other				117,590				261,133
TOTAL REVENUES	2	11,619	27,289	1,899,323	236,788	3,502	550,887	15,802,457
Less: Treasurer's commission				14,184				102,329
NET REVENUES	2	11,619	27,289	1,885,139	236,788	3,502	550,887	15,700,128
EXPENDITURES								
Current:								
General government							550,887	1,856,479
Law enforcement		11,619	24,616		291,781	3,500		5,103,569
Highways and streets								4,004,330
Public safety								605,975
Recreation and culture				1,836,149				1,912,249
TOTAL EXPENDITURES		11,619	24,616	1,836,149	291,781	3,500	550,887	13,482,602
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2		2,673	48,990	(54,993)	2		2,217,526
OTHER FINANCING SOURCES (USES)								
Transfers in								25,000
Transfers out				(220,062)				(963,566)
TOTAL OTHER FINANCING SOURCES (USES)				(220,062)				(938,566)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2		2,673	(171,072)	(54,993)	2		1,278,960
FUND BALANCES - JANUARY 1	411	8	8,251	2,339,931	294,720			12,156,516
Restatement adjustment (Note 15)								(53,012)
FUND BALANCES - JANUARY 1, AS RESTATED	411	8	8,251	2,339,931	294,720			12,103,504
FUND BALANCES - DECEMBER 31	\$ 413	\$ 8	\$ 10,924	\$ 2,168,859	\$ 239,727	\$ 2	\$ 0	\$ 13,382,464

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate 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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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. § 16-17-129.
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.
Mayflower Highway 89 Water Extension	Established to account for federal grant for Mayflower Hwy 89 water extension.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Local Law Enforcement Block Grant	Established to account for a grant received from the State of Arkansas for local law enforcement programs.
Rocky Gap Water Project	Established to account for federal grant for Rocky Gap Community Development Block Grant.
Treasurer's accounts consist primarily of property taxes, treasurer's commission, collector's commission, and interest not distributed to the appropriate authorities.	
Collector's accounts consist primarily of taxes not yet distributed to the various taxing units.	
Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.	
County Clerk's accounts consist primarily of fee money to be settled with 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, 2017
(Unaudited)

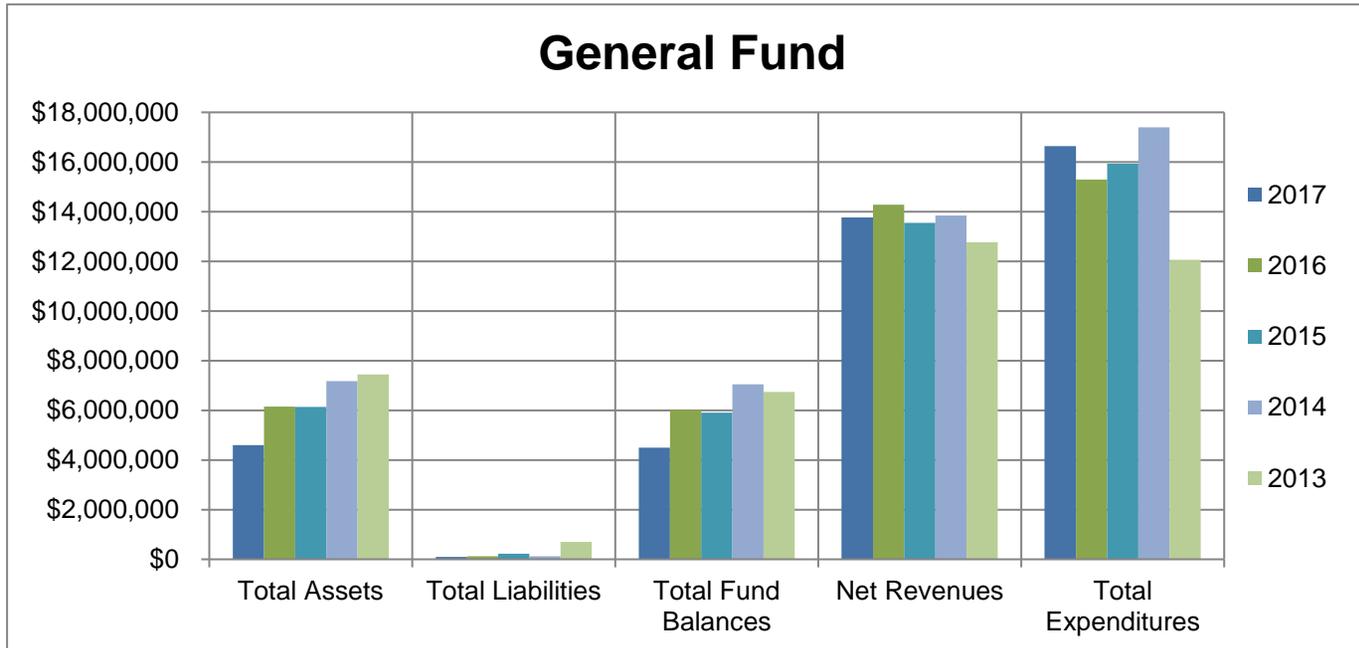
Schedule 3

	<u>December 31, 2017</u>
General Fixed Assets	
Land and buildings	\$ 29,941,542
Equipment	<u>16,210,779</u>
Total	<u>\$ 46,152,321</u>
Fixed Assets - Library	
Land and buildings	4,057,390
Equipment	<u>288,025</u>
Total	<u>\$ 4,345,415</u>
Fixed Assets - Museum	
Land and buildings	105,000
Equipment	<u>12,292</u>
Total	<u>\$ 117,292</u>
Grand Total	<u><u>\$ 50,615,028</u></u>

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

Schedule 4-1

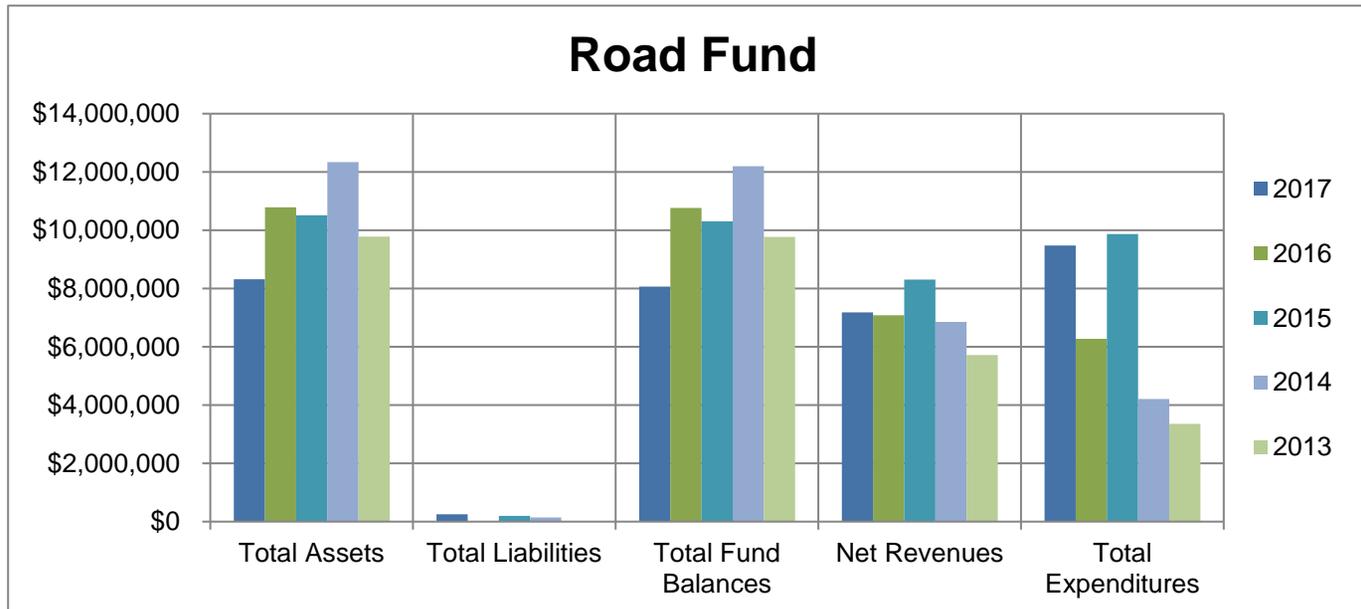
General	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 4,596,920	\$ 6,147,973	\$ 6,134,506	\$ 7,174,076	\$ 7,448,175
Total Liabilities	96,789	122,985	222,834	127,712	705,505
Total Fund Balances	4,500,131	6,024,988	5,911,672	7,046,364	6,742,670
Net Revenues	13,771,058	14,277,764	13,543,908	13,843,179	12,765,365
Total Expenditures	16,639,395	15,299,433	15,936,115	17,392,948	12,058,477
Total Other Financing Sources/Uses	1,343,480	1,252,679	1,257,515	3,853,463	5,006,637



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

Schedule 4-2

<u>Road</u>	2017	2016	2015	2014	2013
Total Assets	\$ 8,313,740	\$ 10,781,673	\$ 10,509,986	\$ 12,334,435	\$ 9,784,201
Total Liabilities	250,707	22,470	199,591	139,318	8,680
Total Fund Balances	8,063,033	10,759,203	10,310,395	12,195,117	9,775,521
Net Revenues	7,184,677	7,083,589	8,301,464	6,852,087	5,719,967
Total Expenditures	9,475,933	6,275,773	9,870,187	4,206,830	3,350,371
Total Other Financing Sources/Uses	(404,914)	(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, 2017
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 24,724,492	\$ 22,278,334	\$ 26,581,784	\$ 27,921,742	\$ 23,522,166
Total Liabilities	11,342,028	10,121,818	9,241,632	7,429,446	6,548,662
Total Fund Balances	13,382,464	12,156,516	17,340,152	20,492,296	16,973,504
Net Revenues	15,700,128	14,232,699	14,125,846	13,487,641	13,319,642
Total Expenditures	13,482,602	18,552,858	16,347,433	8,822,606	11,074,100
Total Other Financing Sources/Uses	(938,566)	(893,671)	(941,516)	(1,146,243)	(1,055,657)

