

Faulkner County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2018

LEGISLATIVE JOINT AUDITING COMMITTEE



FAULKNER COUNTY, ARKANSAS
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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

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, 2018, 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, 2018, 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, 2018, 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 March 5, 2020, 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
March 5, 2020
LOCO02318

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 AND ON COMPLIANCE AND OTHER MATTERS 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, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2020. 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*.

We also reported to management of the County in a separate letter dated March 5, 2020.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 5, 2020

Arkansas



Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Faulkner County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2018:

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
County Librarian: John McGraw

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge and County Clerk

The County paid \$2,500 for vehicle parts and repair to a business owned by a County employee without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-14-1202.

County Judge

Arkansas Department of Emergency Management (ADEM) conducted a site inspection of selected federal surplus property on July 17, 2019, and found two generators purchased by the County for use by the Faulkner County Emergency Squad (Rescue Squad), a nonprofit corporation, were in possession of two Rescue Squad members (former Commander and Flight Maintenance Officer), in conflict with federal regulations. ADEM requested the Rescue Squad return these two generators and any other items purchased to the County's possession by July 26, 2019. Subsequently, ADEM conducted another site inspection on July 26, 2019, and determined all property had been returned to a County-owned location. The County returned all property unusable for Rescue Squad purposes to ADEM on August 29, 2019, and the Rescue Squad Board of Directors removed the former Commander from being a Rescue Squad member.

Other Matters

Eight unauthorized withdrawals totaling \$10,474 were made from the Sheriff's Commissary account between April 5 and October 18, 2018. County personnel discovered the unauthorized withdrawals upon reconciliation of the affected bank account, and the funds were recovered from the bank.

Sheriff


The balance remaining in the Bond and Fine bank account of \$73,878 was not identified with receipts issued but not yet entered on the arrest report, as required by Ark. Code Ann. § 16-10-207. In addition, remaining balances in the Circuit Bond and Fine and Sheriff's Fee bank accounts of \$181,933 and \$26,891, respectively, were not identified. A similar finding has been noted in the previous twelve reports dating back to 2006.

County Librarian

Without adequate supporting documentation, the County Library gave gift cards totaling \$2,050 for prizes in costume contests.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 5, 2020

FAULKNER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 4,693,517	\$ 5,993,208	\$ 22,077,074
Accounts receivable	731,351	193,911	1,540,803
TOTAL ASSETS	<u>\$ 5,424,868</u>	<u>\$ 6,187,119</u>	<u>\$ 23,617,877</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 147,195	\$ 141,230	\$ 290,908
Settlements pending			10,556,852
Total Liabilities	<u>147,195</u>	<u>141,230</u>	<u>10,847,760</u>
Fund Balances:			
Restricted	1,365,875	6,045,889	6,240,785
Committed			6,529,332
Assigned	565,257		
Unassigned	3,346,541		
Total Fund Balances	<u>5,277,673</u>	<u>6,045,889</u>	<u>12,770,117</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,424,868</u>	<u>\$ 6,187,119</u>	<u>\$ 23,617,877</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, 2018

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,277,439	\$ 3,740,502	\$ 683,706
Federal aid	1,879	75,386	911,787
Property taxes	8,126,636	3,056,653	1,992,887
Sales taxes			9,223,935
Fines, forfeitures, and costs	758,937		541,255
Interest	74,077	97,397	176,731
Officers' fees	168,655		1,198,179
Insurance premiums collected	3,469,553		
Jail fees	753,069		6,320
911 fees			493,225
Donations			72,548
Rent			15,000
Natural gas severance tax		260,015	
Treasurer's commission	276,881		93,349
Collector's commission	294,480		357,112
Taxes apportioned - Assessor's salary and expense	1,148,707		44,707
Other	750,346	35,327	166,990
TOTAL REVENUES	17,100,659	7,265,280	15,977,731
Less: Treasurer's commission	84,601	54,620	103,315
NET REVENUES	17,016,058	7,210,660	15,874,416
EXPENDITURES			
Current:			
General government	7,848,279		1,894,158
Law enforcement	8,045,332		6,087,308
Highways and streets		9,227,804	5,668,409
Public safety	86,330		676,014
Health	45,059		
Recreation and culture			2,160,874
Social services	213,516		
TOTAL EXPENDITURES	16,238,516	9,227,804	16,486,763

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 777,542	\$ (2,017,144)	\$ (612,347)
OTHER FINANCING SOURCES (USES)			
Transfers in			15,000
Transfers out			(15,000)
TOTAL OTHER FINANCING SOURCES (USES)			0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	777,542	(2,017,144)	(612,347)
FUND BALANCES - JANUARY 1	4,500,131	8,063,033	13,382,464
FUND BALANCES - DECEMBER 31	\$ 5,277,673	\$ 6,045,889	\$ 12,770,117

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 STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,257,000	\$ 1,277,439	\$ 20,439	\$ 3,415,000	\$ 3,740,502	\$ 325,502
Federal aid		1,879	1,879		75,386	75,386
Property taxes	7,618,000	8,126,636	508,636	2,791,000	3,056,653	265,653
Fines, forfeitures, and costs	692,000	758,937	66,937			
Interest	18,000	74,077	56,077	30,000	97,397	67,397
Officers' fees	221,000	168,655	(52,345)			
Insurance premiums collected	3,407,680	3,469,553	61,873			
Jail fees	813,000	753,069	(59,931)			
Natural gas severance tax					260,015	260,015
Treasurer's commission	295,000	276,881	(18,119)			
Collector's commission	458,800	294,480	(164,320)			
Taxes apportioned - Assessor's salary and expense	1,232,300	1,148,707	(83,593)			
Other	526,500	750,346	223,846	110,000	35,327	(74,673)
TOTAL REVENUES	16,539,280	17,100,659	561,379	6,346,000	7,265,280	919,280
Less: Treasurer's commission		84,601	(84,601)		54,620	(54,620)
NET REVENUES	16,539,280	17,016,058	476,778	6,346,000	7,210,660	864,660
EXPENDITURES						
Current:						
General government	9,188,553	7,848,279	1,340,274			
Law enforcement	8,203,914	8,045,332	158,582			
Highways and streets				10,592,727	9,227,804	1,364,923
Public safety	144,984	86,330	58,654			
Health	45,059	45,059				
Social services	213,516	213,516				
TOTAL EXPENDITURES	17,796,026	16,238,516	1,557,510	10,592,727	9,227,804	1,364,923

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,256,746)	\$ 777,542	\$ 2,034,288	\$ (4,246,727)	\$ (2,017,144)	\$ 2,229,583
OTHER FINANCING SOURCES (USES)						
Transfers in	15,000		(15,000)			
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	15,000		(15,000)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,241,746)	777,542	2,019,288	(4,246,727)	(2,017,144)	2,229,583
FUND BALANCES - JANUARY 1	3,657,219	4,500,131	842,912	2,750,000	8,063,033	5,313,033
FUND BALANCES - DECEMBER 31	\$ 2,415,473	\$ 5,277,673	\$ 2,862,200	\$ (1,496,727)	\$ 6,045,889	\$ 7,542,616

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

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. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. 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, 2018

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,190,083	\$ 2,230,764
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	30,488,357	31,164,630
Uncollateralized	82,605	110,575
Total Deposits	\$ 32,761,045	\$ 33,505,969

The above total deposits do not include cash on hand of \$2,754.

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, 2018, \$110,575 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 31, 2018

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid		\$ 3,532	\$ 3,532
Property taxes	\$ 352,580	105,983	66,594
Sales taxes			746,575
Fines, forfeitures, and costs	64,297		37,164
Interest	2,522		
Officers' fees	16,861		67,016
Insurance premiums collected	385		
Jail fees	34,440		511
911 fees			8,654
Treasurer's commission	70,751		93,348
Collector's commission			357,112
Taxes apportioned - Assessor's salary and expense	4,187		27
Other	54,915	200	1,008
Treasurer's commission charged	130,413	84,196	159,262
Totals	<u>\$ 731,351</u>	<u>\$ 193,911</u>	<u>\$ 1,540,803</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 147,195</u>	<u>\$ 141,230</u>	<u>\$ 290,908</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Restricted for:			
General government	\$ 1,365,875		\$ 2,200,239
Law enforcement			882,188
Highways and streets		\$ 6,045,889	
Public safety			1,072,341
Recreation and culture			2,086,017
Total Restricted	<u>1,365,875</u>	<u>6,045,889</u>	<u>6,240,785</u>
Committed for:			
Law enforcement			2,978,285
Highways and streets			3,505,697
Recreation and culture			45,350
Total Committed			<u>6,529,332</u>
Assigned to:			
General government	502,543		
Law enforcement	62,714		
Total Assigned	<u>565,257</u>		
Unassigned	<u>3,346,541</u>		
Totals	<u>\$ 5,277,673</u>	<u>\$ 6,045,889</u>	<u>\$ 12,770,117</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, 2018, the legal debt limit for bonded debt was \$182,092,442. 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, 2018, the legal debt limit for short-term financing obligations was \$47,478,518. There were no short-term financing obligations.

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Compensated absences	\$ 700,031
Reappraisal contract	<u>1,385,100</u>
Total Commitments	<u>\$ 2,085,131</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 31, 2018

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.

Reappraisal Contract

The County entered into a professional services contract for \$2,308,500 with Total Assessment Solutions Corporation for real estate appraisal maintenance on November 21, 2016. Terms of the contract are monthly payments of \$38,475 for 60 months.

The County is obligated for the following amounts

Year	December 31, 2018
2019	\$ 461,700
2020	461,700
2021	461,700
Total	\$ 1,385,100

NOTE 9: Interfund Transfers

Within Other Funds in the Aggregate \$15,000 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 2018. 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 District 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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 12: Risk Management

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

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

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

Vehicle Program

A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.

B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

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, 2018 (date of APERS Employer Allocation Report) were \$1,804,330.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 13: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2018 (actuarial valuation date and measurement date) was \$14,406,396.

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, 2018, the balance in this account was \$1,294,167 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, 2018

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	Reappraisal Cost	Child Support
ASSETS									
Cash and cash equivalents	\$ 165,409	\$ 568,161	\$ 5,866	\$ 56,532	\$ 31,792	\$ 787,992	\$ 4,268	\$ 5	\$ 69,879
Accounts receivable	93,382	357,227	1,262	404	4,457	62,070	393	27	126
TOTAL ASSETS	\$ 258,791	\$ 925,388	\$ 7,128	\$ 56,936	\$ 36,249	\$ 850,062	\$ 4,661	\$ 32	\$ 70,005
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 5,186	\$ 37		\$ 6	\$ 82	\$ 3,551			\$ 115
Settlements pending									
Total Liabilities	5,186	37		6	82	3,551			115
Fund Balances:									
Restricted	253,605	925,351	\$ 7,128	56,930	36,167	846,511	\$ 4,661	\$ 32	69,890
Committed									
Total Fund Balances	253,605	925,351	7,128	56,930	36,167	846,511	4,661	32	69,890
TOTAL LIABILITIES AND FUND BALANCES	\$ 258,791	\$ 925,388	\$ 7,128	\$ 56,936	\$ 36,249	\$ 850,062	\$ 4,661	\$ 32	\$ 70,005

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS

	Drug Control	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation
ASSETS									
Cash and cash equivalents	\$ 13,967	\$ 1,061	\$ 60,200	\$ 2,319	\$ 768,568	\$ 109,427	\$ 63,476	\$ 64,280	\$ 174,772
Accounts receivable	4	1	35,185	1,290	14,350	2,707	2,313	1,051	6,398
TOTAL ASSETS	\$ 13,971	\$ 1,062	\$ 95,385	\$ 3,609	\$ 782,918	\$ 112,134	\$ 65,789	\$ 65,331	\$ 181,170
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 451		\$ 35,030		\$ 16,786	\$ 2,822	\$ 4		\$ 138
Settlements pending									
Total Liabilities	451		35,030		16,786	2,822	4		138
Fund Balances:									
Restricted	13,520	\$ 1,062	60,355	\$ 3,609	766,132	109,312	65,785	\$ 65,331	181,032
Committed									
Total Fund Balances	13,520	1,062	60,355	3,609	766,132	109,312	65,785	65,331	181,032
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,971	\$ 1,062	\$ 95,385	\$ 3,609	\$ 782,918	\$ 112,134	\$ 65,789	\$ 65,331	\$ 181,170

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

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	\$ 32,889	\$ 9,589	\$ 52,986	\$ 718	\$ 5	\$ 11,388	\$ 291,238	\$ 42,401
Accounts receivable	58	46	4,850	0		346	4,239	3,173
TOTAL ASSETS	\$ 32,947	\$ 9,635	\$ 57,836	\$ 718	\$ 5	\$ 11,734	\$ 295,477	\$ 45,574
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 3,773				\$ 286	\$ 224
Settlements pending								
Total Liabilities			3,773				286	224
Fund Balances:								
Restricted	\$ 32,947	\$ 9,635	54,063	\$ 718	\$ 5	\$ 11,734	295,191	
Committed								45,350
Total Fund Balances	32,947	9,635	54,063	718	5	11,734	295,191	45,350
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,947	\$ 9,635	\$ 57,836	\$ 718	\$ 5	\$ 11,734	\$ 295,477	\$ 45,574

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

	SPECIAL REVENUE FUNDS							
	Road Sales Tax	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Teen Court	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security Grant
ASSETS								
Cash and cash equivalents	\$ 3,220,867	\$ 1,523,508	\$ 1	\$ 1,076,854	\$ 12,106	\$ 2,881	\$ 63,325	\$ 161
Accounts receivable	430,165	5,450		430,392	19			
TOTAL ASSETS	\$ 3,651,032	\$ 1,528,958	\$ 1	\$ 1,507,246	\$ 12,125	\$ 2,881	\$ 63,325	\$ 161
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 145,335	\$ 2,520		\$ 55,399	\$ 585			
Settlements pending								
Total Liabilities	145,335	2,520		55,399	585			
Fund Balances:								
Restricted			\$ 1		11,540	\$ 2,881	\$ 63,325	\$ 161
Committed	3,505,697	1,526,438		1,451,847				
Total Fund Balances	3,505,697	1,526,438	1	1,451,847	11,540	2,881	63,325	161
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,651,032	\$ 1,528,958	\$ 1	\$ 1,507,246	\$ 12,125	\$ 2,881	\$ 63,325	\$ 161

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

	SPECIAL REVENUE FUNDS							
	Juvenile Court Grant Non Fed/State	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
ASSETS								
Cash and cash equivalents	\$ 9,062	\$ 1,383	\$ 188	\$ 1,970	\$ 829	\$ 1,102	\$ 4,837	\$ 11,021
Accounts receivable								
TOTAL ASSETS	\$ 9,062	\$ 1,383	\$ 188	\$ 1,970	\$ 829	\$ 1,102	\$ 4,837	\$ 11,021
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 42
Settlements pending								
Total Liabilities								<u>42</u>
Fund Balances:								
Restricted	\$ 9,062	\$ 1,383	\$ 188	\$ 1,970	\$ 829	\$ 1,102	\$ 4,837	10,979
Committed								
Total Fund Balances	<u>9,062</u>	<u>1,383</u>	<u>188</u>	<u>1,970</u>	<u>829</u>	<u>1,102</u>	<u>4,837</u>	<u>10,979</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,062	\$ 1,383	\$ 188	\$ 1,970	\$ 829	\$ 1,102	\$ 4,837	\$ 11,021

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

Schedule 1

	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
ASSETS							
Cash and cash equivalents	\$ 414	\$ 8	\$ 4,241	\$ 2,025,135	\$ 171,125	\$ 2	\$ 14
Accounts receivable				79,418			
TOTAL ASSETS	\$ 414	\$ 8	\$ 4,241	\$ 2,104,553	\$ 171,125	\$ 2	\$ 14
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable				\$ 18,536			
Settlements pending							
Total Liabilities				18,536			
Fund Balances:							
Restricted	\$ 414	\$ 8	\$ 4,241	2,086,017	\$ 171,125	\$ 2	\$ 14
Committed							
Total Fund Balances	414	8	4,241	2,086,017	171,125	2	14
TOTAL LIABILITIES AND FUND BALANCES	\$ 414	\$ 8	\$ 4,241	\$ 2,104,553	\$ 171,125	\$ 2	\$ 14

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2018

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	\$ 6,994,321	\$ 655,977	\$ 561,653	\$ 122,346	\$ 2,215,845	\$ 6,710	\$ 22,077,074
Accounts receivable							1,540,803
TOTAL ASSETS	\$ 6,994,321	\$ 655,977	\$ 561,653	\$ 122,346	\$ 2,215,845	\$ 6,710	\$ 23,617,877
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 290,908
Settlements pending	\$ 6,994,321	\$ 655,977	\$ 561,653	\$ 122,346	\$ 2,215,845	\$ 6,710	10,556,852
Total Liabilities	6,994,321	655,977	561,653	122,346	2,215,845	6,710	10,847,760
Fund Balances:							
Restricted							6,240,785
Committed							6,529,332
Total Fund Balances							12,770,117
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,994,321	\$ 655,977	\$ 561,653	\$ 122,346	\$ 2,215,845	\$ 6,710	\$ 23,617,877

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, 2018

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				\$ 32,377				\$ 417,025	
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 13,208						
Interest	\$ 2,765	\$ 9,447	186	962	\$ 518	\$ 9,770	\$ 63		\$ 1,068
Officers' fees					50,850	759,907	5,301		2,558
Jail fees									
911 fees									
Donations									
Rent									
Treasurer's commission	93,349								
Collector's commission		357,112							
Taxes apportioned - Assessor's salary and expense								44,707	
Other						40			
TOTAL REVENUES	96,114	366,559	13,394	33,339	51,368	769,717	5,364	461,732	3,626
Less: Treasurer's commission	22	74	105	262	387	6,116	42		28
NET REVENUES	96,092	366,485	13,289	33,077	50,981	763,601	5,322	461,732	3,598
EXPENDITURES									
Current:									
General government	44,661	212,138		19,429	48,730	432,565		461,700	2,976
Law enforcement			15,000				10,500		
Highways and streets									
Public safety									
Recreation and culture									
TOTAL EXPENDITURES	44,661	212,138	15,000	19,429	48,730	432,565	10,500	461,700	2,976
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	51,431	154,347	(1,711)	13,648	2,251	331,036	(5,178)	32	622
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	51,431	154,347	(1,711)	13,648	2,251	331,036	(5,178)	32	622
FUND BALANCES - JANUARY 1	202,174	771,004	8,839	43,282	33,916	515,475	9,839		69,268
FUND BALANCES - DECEMBER 31	<u>\$ 253,605</u>	<u>\$ 925,351</u>	<u>\$ 7,128</u>	<u>\$ 56,930</u>	<u>\$ 36,167</u>	<u>\$ 846,511</u>	<u>\$ 4,661</u>	<u>\$ 32</u>	<u>\$ 69,890</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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS								
	Drug Control	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation
REVENUES									
State aid						\$ 3,348			
Federal aid					\$ 26,935				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 3,354		\$ 434,209	\$ 8,588		36,230	\$ 26,373	\$ 11,943	
Interest	353	\$ 61	1,669	60	10,967	1,636	789	158	\$ 2,590
Officers' fees									57,065
Jail fees				6,320					
911 fees					493,225				
Donations								62,000	
Rent									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other			1,775		3,501				
TOTAL REVENUES	<u>3,707</u>	<u>61</u>	<u>437,653</u>	<u>14,968</u>	<u>534,628</u>	<u>41,214</u>	<u>27,162</u>	<u>74,101</u>	<u>59,655</u>
Less: Treasurer's commission	<u>3</u>	<u>1</u>	<u>3,397</u>	<u>116</u>	<u>1,404</u>	<u>274</u>	<u>196</u>	<u>95</u>	<u>451</u>
NET REVENUES	<u>3,704</u>	<u>60</u>	<u>434,256</u>	<u>14,852</u>	<u>533,224</u>	<u>40,940</u>	<u>26,966</u>	<u>74,006</u>	<u>59,204</u>
EXPENDITURES									
Current:									
General government									
Law enforcement	29,552	4,020	596,324	26,052		38,452	22,775		55,077
Highways and streets									
Public safety					550,570				
Recreation and culture									
TOTAL EXPENDITURES	<u>29,552</u>	<u>4,020</u>	<u>596,324</u>	<u>26,052</u>	<u>550,570</u>	<u>38,452</u>	<u>22,775</u>		<u>55,077</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,848)</u>	<u>(3,960)</u>	<u>(162,068)</u>	<u>(11,200)</u>	<u>(17,346)</u>	<u>2,488</u>	<u>4,191</u>	<u>74,006</u>	<u>4,127</u>
OTHER FINANCING SOURCES (USES)									
Transfers in							15,000		
Transfers out								(15,000)	
TOTAL OTHER FINANCING SOURCES (USES)							<u>15,000</u>	<u>(15,000)</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(25,848)</u>	<u>(3,960)</u>	<u>(162,068)</u>	<u>(11,200)</u>	<u>(17,346)</u>	<u>2,488</u>	<u>19,191</u>	<u>59,006</u>	<u>4,127</u>
FUND BALANCES - JANUARY 1	<u>39,368</u>	<u>5,022</u>	<u>222,423</u>	<u>14,809</u>	<u>783,478</u>	<u>106,824</u>	<u>46,594</u>	<u>6,325</u>	<u>176,905</u>
FUND BALANCES - DECEMBER 31	<u>\$ 13,520</u>	<u>\$ 1,062</u>	<u>\$ 60,355</u>	<u>\$ 3,609</u>	<u>\$ 766,132</u>	<u>\$ 109,312</u>	<u>\$ 65,785</u>	<u>\$ 65,331</u>	<u>\$ 181,032</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, 2018

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
REVENUES								
State aid							\$ 10,236	
Federal aid								
Property taxes							91,095	\$ 70,601
Sales taxes								
Fines, forfeitures, and costs		\$ 143	\$ 4,863					
Interest	\$ 449	144	955	\$ 11		\$ 157	4,091	385
Officers' fees			38,784			2,195		
Jail fees								
911 fees								
Donations								
Rent								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other	4,340						256	5,057
TOTAL REVENUES	4,789	287	44,602	11		2,352	105,678	76,043
Less: Treasurer's commission	38	12	343	1		33	787	539
NET REVENUES	4,751	275	44,259	10		2,319	104,891	75,504
EXPENDITURES								
Current:								
General government								
Law enforcement			57,514					
Highways and streets								
Public safety							125,444	
Recreation and culture								76,291
TOTAL EXPENDITURES			57,514				125,444	76,291
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,751	275	(13,255)	10		2,319	(20,553)	(787)
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	4,751	275	(13,255)	10		2,319	(20,553)	(787)
FUND BALANCES - JANUARY 1	28,196	9,360	67,318	708	\$ 5	9,415	315,744	46,137
FUND BALANCES - DECEMBER 31	<u>\$ 32,947</u>	<u>\$ 9,635</u>	<u>\$ 54,063</u>	<u>\$ 718</u>	<u>\$ 5</u>	<u>\$ 11,734</u>	<u>\$ 295,191</u>	<u>\$ 45,350</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, 2018

Schedule 2

SPECIAL REVENUE FUNDS

	Road Sales Tax	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Teen Court	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security Grant
REVENUES								
State aid							\$ 20,783	\$ 9,800
Federal aid	\$ 67,226							
Property taxes		\$ 115,566		\$ 4,611,967				
Sales taxes	4,611,968							
Fines, forfeitures, and costs		914			\$ 1,430			
Interest	67,902	14,632		12,260	177	\$ 46	759	78
Officers' fees								
Jail fees								
911 fees								
Donations		2,000			5,000	1,500		
Rent		15,000						
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other		140		53,799				
TOTAL REVENUES	4,747,096	148,252		4,678,026	6,607	1,546	21,542	9,878
Less: Treasurer's commission	36,897	1,000		36,459	13			
NET REVENUES	4,710,199	147,252		4,641,567	6,594	1,546	21,542	9,878
EXPENDITURES								
Current:								
General government								
Law enforcement		4,520		4,685,933	3,169	1,158		15,000
Highways and streets	5,668,409							
Public safety								
Recreation and culture								
TOTAL EXPENDITURES	5,668,409	4,520		4,685,933	3,169	1,158		15,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(958,210)	142,732		(44,366)	3,425	388	21,542	(5,122)
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	(958,210)	142,732		(44,366)	3,425	388	21,542	(5,122)
FUND BALANCES - JANUARY 1	4,463,907	1,383,706	\$ 1	1,496,213	8,115	2,493	41,783	5,283
FUND BALANCES - DECEMBER 31	\$ 3,505,697	\$ 1,526,438	\$ 1	\$ 1,451,847	\$ 11,540	\$ 2,881	\$ 63,325	\$ 161

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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS							
	Juvenile Court Grant Non Fed/State	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								\$ 16,621
Federal aid			\$ 145,653					
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 131		8	\$ 5	\$ 23	\$ 3	\$ 107	148
Officers' fees								
Jail fees								
911 fees								
Donations	2,048							
Rent								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other								
TOTAL REVENUES	<u>2,179</u>		<u>145,661</u>	<u>5</u>	<u>23</u>	<u>3</u>	<u>107</u>	<u>16,769</u>
Less: Treasurer's commission								
NET REVENUES	<u>2,179</u>		<u>145,661</u>	<u>5</u>	<u>23</u>	<u>3</u>	<u>107</u>	<u>16,769</u>
EXPENDITURES								
Current:								
General government								
Law enforcement	1,981		145,653		2,983		3,009	9,373
Highways and streets								
Public safety								
Recreation and culture								
TOTAL EXPENDITURES	<u>1,981</u>		<u>145,653</u>		<u>2,983</u>		<u>3,009</u>	<u>9,373</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>198</u>		<u>8</u>	<u>5</u>	<u>(2,960)</u>	<u>3</u>	<u>(2,902)</u>	<u>7,396</u>
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	<u>198</u>		<u>8</u>	<u>5</u>	<u>(2,960)</u>	<u>3</u>	<u>(2,902)</u>	<u>7,396</u>
FUND BALANCES - JANUARY 1	8,864	\$ 1,383	180	1,965	3,789	1,099	7,739	3,583
FUND BALANCES - DECEMBER 31	<u>\$ 9,062</u>	<u>\$ 1,383</u>	<u>\$ 188</u>	<u>\$ 1,970</u>	<u>\$ 829</u>	<u>\$ 1,102</u>	<u>\$ 4,837</u>	<u>\$ 10,979</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, 2018

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				\$ 173,516				\$ 683,706
Federal aid							\$ 671,973	911,787
Property taxes				1,715,625				1,992,887
Sales taxes								9,223,935
Fines, forfeitures, and costs								541,255
Interest	\$ 1		\$ 94	28,738	\$ 2,365			176,731
Officers' fees					281,519			1,198,179
Jail fees								6,320
911 fees								493,225
Donations								72,548
Rent								15,000
Treasurer's commission								93,349
Collector's commission								357,112
Taxes apportioned - Assessor's salary and expense								44,707
Other				98,082				166,990
TOTAL REVENUES	1		94	2,015,961	283,884		671,973	15,977,731
Less: Treasurer's commission				14,220				103,315
NET REVENUES	1		94	2,001,741	283,884		671,973	15,874,416
EXPENDITURES								
Current:								
General government							671,959	1,894,158
Law enforcement			6,777		352,486			6,087,308
Highways and streets								5,668,409
Public safety								676,014
Recreation and culture				2,084,583				2,160,874
TOTAL EXPENDITURES			6,777	2,084,583	352,486		671,959	16,486,763
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1		(6,683)	(82,842)	(68,602)		14	(612,347)
OTHER FINANCING SOURCES (USES)								
Transfers in								15,000
Transfers out								(15,000)
TOTAL OTHER FINANCING SOURCES (USES)								0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1		(6,683)	(82,842)	(68,602)		14	(612,347)
FUND BALANCES - JANUARY 1	413	\$ 8	10,924	2,168,859	239,727	\$ 2		13,382,464
FUND BALANCES - DECEMBER 31	\$ 414	\$ 8	\$ 4,241	\$ 2,086,017	\$ 171,125	\$ 2	\$ 14	\$ 12,770,117

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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 commission 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 purpose 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 the 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 breathalyzer.
Jail Operation and Maintenance	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, including construction and maintenance of the County Jail.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on person 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 commercial mobile radio service and telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 16-307 established the County Administration of Justice Fund which continued to finance this fund to be 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. § 16-307 established the County Administration of Justice Fund which continued to finance this fund to be used for defense of indigents.
District Court Probation	Ark. Code Ann. § 5-4-322 authorized 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 levied for violations of the Child Passenger Protection Code to be used 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 cases.
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 expense of the office of Circuit Clerk.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2018

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.
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 Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
Juvenile Court Grant Non Fed/State	Established to receive juvenile court grants from private organizations.
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, 2018

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, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
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 agencies.

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 primarily of trust money and settlements due to the treasurer.

Circuit Clerk's accounts consist of trust money and settlements due to the 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, 2018
 (Unaudited)

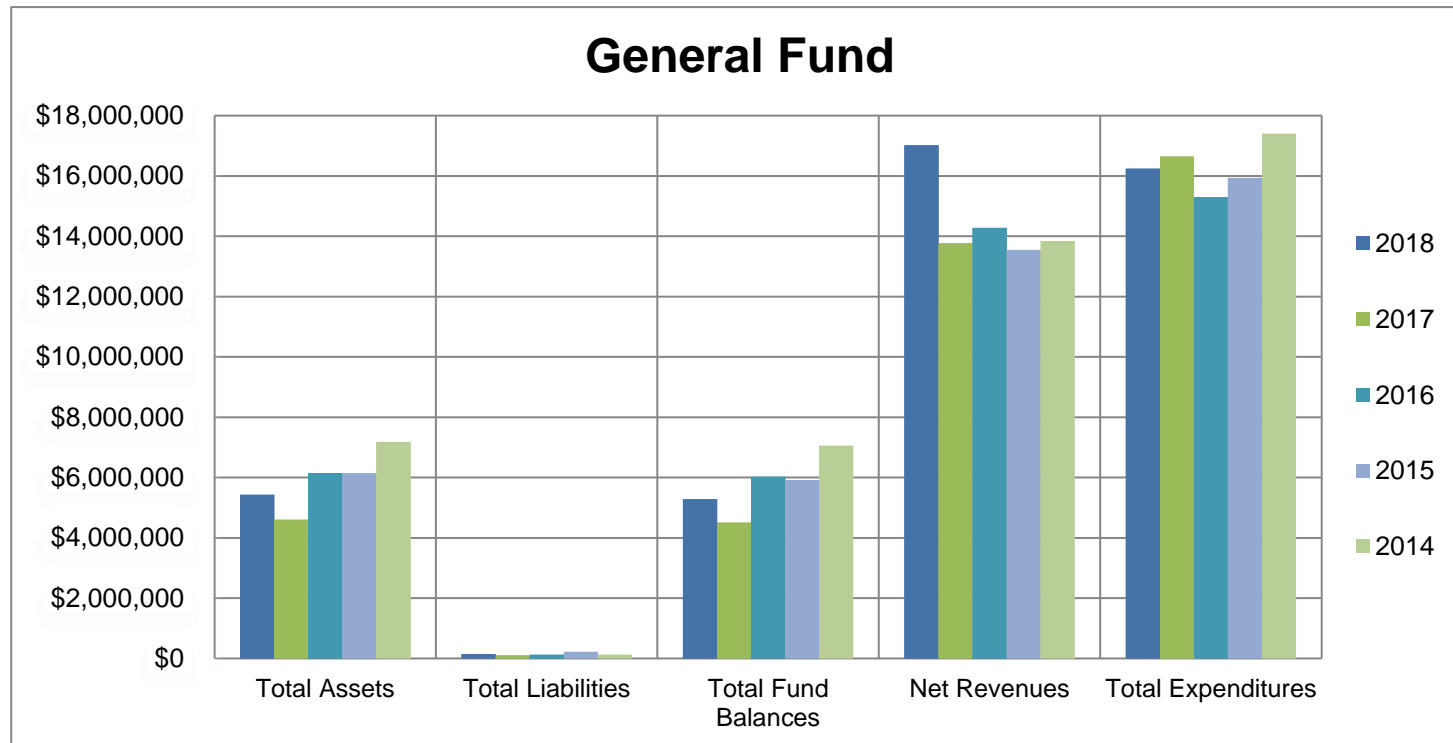
Schedule 3

	December 31, 2018
General Fixed Assets	
Land and buildings	\$ 30,526,365
Equipment	17,839,417
Total	\$ 48,365,782
 Fixed Assets - Library	
Land and buildings	4,057,390
Equipment	316,203
Total	\$ 4,373,593
 Fixed Assets - Museum	
Land and buildings	105,000
Equipment	12,292
Total	\$ 117,292
Grand Total	\$ 52,856,667

FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 4-1

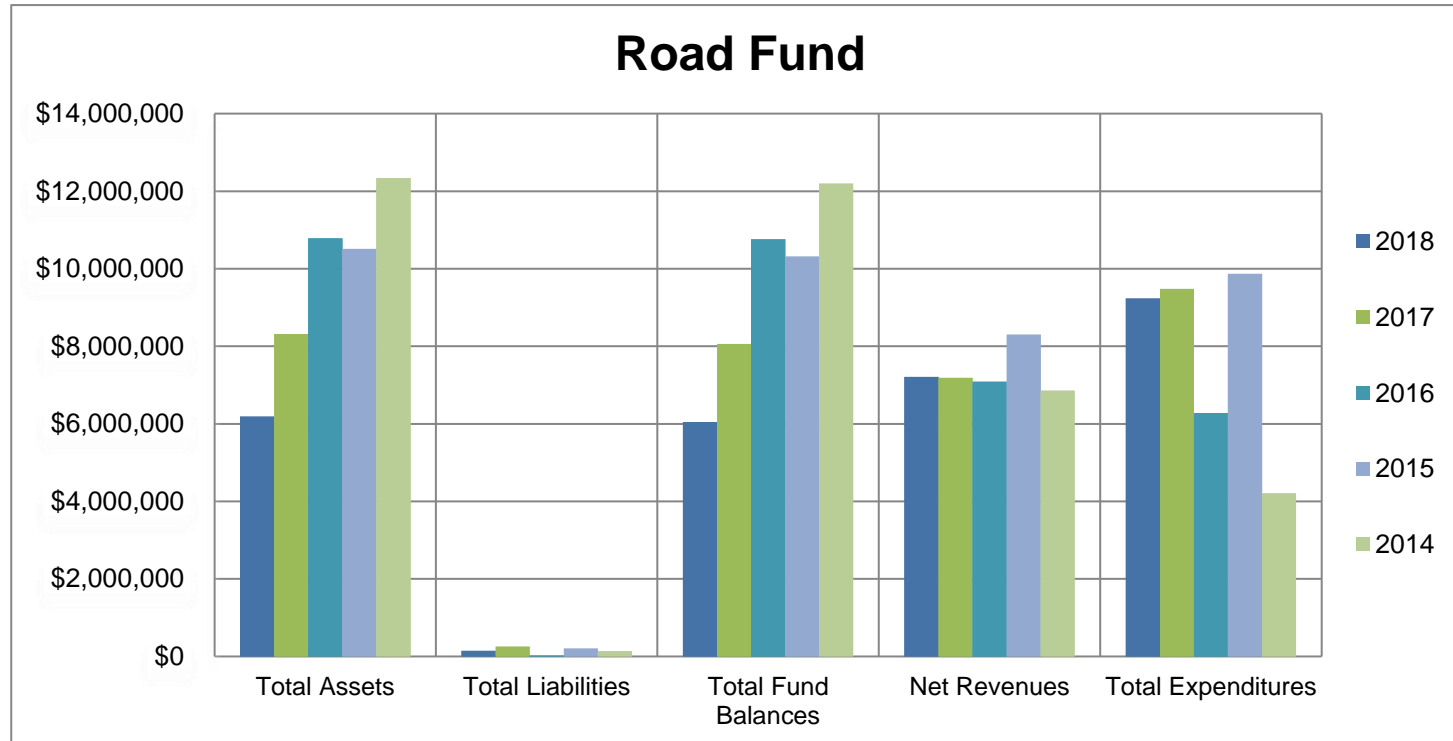
<u>General</u>	2018	2017	2016	2015	2014
Total Assets	\$ 5,424,868	\$ 4,596,920	\$ 6,147,973	\$ 6,134,506	\$ 7,174,076
Total Liabilities	147,195	96,789	122,985	222,834	127,712
Total Fund Balances	5,277,673	4,500,131	6,024,988	5,911,672	7,046,364
Net Revenues	17,016,058	13,771,058	14,277,764	13,543,908	13,843,179
Total Expenditures	16,238,516	16,639,395	15,299,433	15,936,115	17,392,948
Total Other Financing Sources/Uses		1,343,480	1,252,679	1,257,515	3,853,463



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 4-2

<u>Road</u>	2018	2017	2016	2015	2014
Total Assets	\$ 6,187,119	\$ 8,313,740	\$ 10,781,673	\$ 10,509,986	\$ 12,334,435
Total Liabilities	141,230	250,707	22,470	199,591	139,318
Total Fund Balances	6,045,889	8,063,033	10,759,203	10,310,395	12,195,117
Net Revenues	7,210,660	7,184,677	7,083,589	8,301,464	6,852,087
Total Expenditures	9,227,804	9,475,933	6,275,773	9,870,187	4,206,830
Total Other Financing Sources/Uses		(404,914)	(359,008)	(315,999)	(225,661)



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2018
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2018	2017	2016	2015	2014
Total Assets	\$ 23,617,877	\$ 24,724,492	\$ 22,278,334	\$ 26,581,784	\$ 27,921,742
Total Liabilities	10,847,760	11,342,028	10,121,818	9,241,632	7,429,446
Total Fund Balances	12,770,117	13,382,464	12,156,516	17,340,152	20,492,296
Net Revenues	15,874,416	15,700,128	14,232,699	14,125,846	13,487,641
Total Expenditures	16,486,763	13,482,602	18,552,858	16,347,433	8,822,606
Total Other Financing Sources/Uses		(938,566)	(893,671)	(941,516)	(1,146,243)

