

Faulkner County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2015

LEGISLATIVE JOINT AUDITING COMMITTEE



FAULKNER COUNTY, ARKANSAS
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Arkansas

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Senate Chair
Sen. Lance Eads
Senate Vice Chair



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Faulkner County, Arkansas, as of and for the year ended December 31, 2015, 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, 2015, 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, 2015, 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 January 19, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
January 19, 2017
LOCO02315

Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Faulkner County, Arkansas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2017. 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2015-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, again did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

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

Compliance and Other Matters

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

Entity's Response to Finding

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

Other Issues

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

The commentary contained in this section relates to the following officials that held office during 2015:

County Judge: Jim Baker
Treasurer: Scott Sanson
Sheriff: Matt Rice (appointed September 1, 2015)
 Andy Shock (resigned August 31, 2015)
Tax Collector: Steve Simon
County Clerk: Margaret Darter
Circuit Clerk: Rhonda Wharton
Assessor: Angela Hill
County Librarian: John McGraw

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

County Sheriff

The remaining balance in the Bond and Fine bank account of \$104,529 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 \$184,623 and \$93,298, 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
January 19, 2017

FAULKNER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2015

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,758,151	\$ 10,267,562	\$ 25,350,635
Accounts receivable	2,376,355	242,424	1,231,149
TOTAL ASSETS	\$ 6,134,506	\$ 10,509,986	\$ 26,581,784
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 222,834	\$ 199,591	\$ 158,647
Settlements pending			9,082,985
Total Liabilities	222,834	199,591	9,241,632
Fund Balances:			
Restricted	262,396	10,310,395	5,289,364
Committed			12,050,788
Assigned	166,436		
Unassigned	5,482,840		
Total Fund Balances	5,911,672	10,310,395	17,340,152
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,134,506	\$ 10,509,986	\$ 26,581,784

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, 2015

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,605,348	\$ 3,320,699	\$ 335,545
Federal aid	232,364	1,697,803	407,863
Property taxes	7,290,919	2,839,780	1,851,215
Sales taxes			8,536,538
Fines, forfeitures, and costs	723,162		525,133
Interest	25,052	58,380	89,356
Officers' fees	211,491		1,297,157
Natural gas severance tax		306,626	
Jail fees	692,174		
911 fees			497,999
Insurance premiums collected	372,115		
Franchise fees	3,854		
Treasurer's commission	273,790		82,289
Collector's commission	461,906		160,000
Taxes apportioned - Assessor's salary and expense	1,085,484		
Other	651,384	133,037	431,263
TOTAL REVENUES	13,629,043	8,356,325	14,214,358
Less: Treasurer's commission	85,135	54,861	88,512
NET REVENUES	13,543,908	8,301,464	14,125,846
EXPENDITURES			
Current:			
General government	7,102,137		758,787
Law enforcement	7,171,942		4,921,695
Highways and streets		9,870,187	8,143,830
Public safety	212,477		946,514
Health	62,000		
Recreation and culture			1,576,607
Social services	143,404		
Total Current	14,691,960	9,870,187	16,347,433

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B

	General	Road	Other Funds in the Aggregate
EXPENDITURES (Continued)			
Debt Service:			
Note principal	\$ 1,153,042		
Note interest	91,113		
	15,936,115	\$ 9,870,187	\$ 16,347,433
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,392,207)	(1,568,723)	(2,221,587)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,567,966		399,401
Transfers out	(310,451)	(315,999)	(1,340,917)
TOTAL OTHER FINANCING SOURCES (USES)	1,257,515	(315,999)	(941,516)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,134,692)	(1,884,722)	(3,163,103)
FUND BALANCES - JANUARY 1	7,046,364	12,195,117	20,503,255
FUND BALANCES - DECEMBER 31	\$ 5,911,672	\$ 10,310,395	\$ 17,340,152

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, 2015

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,037,000	\$ 1,605,348	\$ 568,348	\$ 3,247,000	\$ 3,320,699	\$ 73,699
Federal aid	88,500	232,364	143,864		1,697,803	1,697,803
Property taxes	8,454,000	7,290,919	(1,163,081)	2,632,328	2,839,780	207,452
Fines, forfeitures, and costs	885,200	723,162	(162,038)			
Interest	37,540	25,052	(12,488)	30,000	58,380	28,380
Officers' fees	253,920	211,491	(42,429)			
Natural gas severance tax				150,000	306,626	156,626
Jail fees	759,000	692,174	(66,826)			
Insurance premiums collected	2,487,000	372,115	(2,114,885)			
Franchise fees	25,000	3,854	(21,146)			
Treasurer's commission	365,000	273,790	(91,210)			
Collector's commission	455,000	461,906	6,906			
Taxes apportioned - Assessor's salary and expense	1,074,000	1,085,484	11,484			
Other	956,300	651,384	(304,916)		133,037	133,037
TOTAL REVENUES	16,877,460	13,629,043	(3,248,417)	6,059,328	8,356,325	2,296,997
Less: Treasurer's commission		85,135	(85,135)		54,861	(54,861)
NET REVENUES	16,877,460	13,543,908	(3,333,552)	6,059,328	8,301,464	2,242,136
EXPENDITURES						
Current:						
General government	8,422,203	7,102,137	1,320,066			
Law enforcement	9,721,443	7,171,942	2,549,501			
Highways and streets				10,688,506	9,870,187	818,319
Public safety	275,486	212,477	63,009			
Health	62,000	62,000				
Recreation and culture	4,500		4,500			
Social services	179,308	143,404	35,904			
Total Current	18,664,940	14,691,960	3,972,980	10,688,506	9,870,187	818,319
Debt Service:						
Note principal		1,153,042	(1,153,042)			
Note interest		91,113	(91,113)			
TOTAL EXPENDITURES	18,664,940	15,936,115	2,728,825	10,688,506	9,870,187	818,319

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, 2015

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,787,480)	\$ (2,392,207)	\$ (604,727)	\$ (4,629,178)	\$ (1,568,723)	\$ 3,060,455
OTHER FINANCING SOURCES (USES)						
Transfers in	481,000	1,567,966	1,086,966			
Transfers out		(310,451)	(310,451)		(315,999)	(315,999)
Note proceeds	2,485,000		(2,485,000)			
TOTAL OTHER FINANCING SOURCES (USES)	2,966,000	1,257,515	(1,708,485)		(315,999)	(315,999)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,178,520	(1,134,692)	(2,313,212)	(4,629,178)	(1,884,722)	2,744,456
FUND BALANCES - JANUARY 1	4,630,000	7,046,364	2,416,364	11,175,000	12,195,117	1,020,117
FUND BALANCES - DECEMBER 31	<u>\$ 5,808,520</u>	<u>\$ 5,911,672</u>	<u>\$ 103,152</u>	<u>\$ 6,545,822</u>	<u>\$ 10,310,395</u>	<u>\$ 3,764,573</u>

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand accounts.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, trust funds, officers' fees, commissions, and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G Fund Balance Classification Policies and Procedures

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

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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)	\$ 1,989,287	\$ 2,243,751
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	37,386,255	40,541,209
Total Deposits	\$ 39,375,542	\$ 42,784,960

The above total deposits do not include cash on hand of \$806.

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, 2015, none of the County'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.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2015, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid			\$ 6,441
Property taxes	\$ 318,546	\$ 127,043	58,741
Sales taxes			660,956
Fines, forfeitures, and costs	40,726		36,319
Interest	17,216	41,653	59,638
Officers' fees	21,347		82,310
Jail fees	36,860		
911 fees			715
Treasurer's commission	273,657		35,840
Collector's commission	461,906		160,000
Taxes apportioned - Assessor's salary and expense	1,085,484		
Other	7,662	1,119	13,575
Treasurer's commission charged	112,951	72,609	116,614
Totals	\$ 2,376,355	\$ 242,424	\$ 1,231,149

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2015, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 222,834	\$ 199,591	\$ 158,647

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 6: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2015, the legal debt limit for bonded debt was \$172,140,455. 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, 2015, the legal debt limit for short-term financing obligations was \$44,941,730. The amount of short-term financing obligations was \$2,878,472, leaving a legal debt margin of \$42,063,258.

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2015, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
<u>Fund Balances</u>			
Restricted for:			
General government	\$ 232,202		\$ 871,801
Law enforcement	30,194		1,239,612
Highways and streets		\$ 10,310,395	
Public safety			1,021,903
Recreation and culture			2,156,048
Total Restricted	<u>262,396</u>	<u>10,310,395</u>	<u>5,289,364</u>
Committed for:			
Law enforcement			2,620,131
Highways and streets			9,338,608
Recreation and culture			92,049
Total Committed			<u>12,050,788</u>
Assigned to:			
Law enforcement	<u>166,436</u>		
Unassigned			
	<u>5,482,840</u>		
Totals	<u>\$ 5,911,672</u>	<u>\$ 10,310,395</u>	<u>\$ 17,340,152</u>

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2015:

	December 31, 2015
Long-term liabilities	<u>\$ 3,433,510</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2015 are comprised of the following:

	December 31, 2015
Promissory Note Series 2013, dated November 7, 2013, with First Security Bank for the construction of the Criminal Justice Building at an interest rate of 2.24%. Four annual interest only payments and one final payment of interest and principal paid on maturity date.	\$ 2,878,472
Compensated absences	555,038
Total Long-term liabilities	\$ 3,433,510

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

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2015:

Years Ending December 31,	Notes
2016	\$ 64,654
2017	64,478
2018	2,942,950
Total Obligations	3,072,082
Less Interest	193,610
Total Principal	\$ 2,878,472

NOTE 9: Interfund Transfers

The General Fund transferred \$310,451 to the Other Funds in the Aggregate to defray administrative and operating expenses. The Road Fund transferred \$315,999 to the General Fund for health insurance expenses. The Other Funds in the Aggregate transferred \$1,251,967 to the General Fund to reimburse administrative, operating, and health insurance expenses. Additionally, within Other Funds in the Aggregate \$88,950 was transferred to reimburse 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 2015. Contact the Faulkner – Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11: Jointly Governed Organizations

Twentieth Judicial Drug Crime Task Force

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

Faulkner County Solid Waste Management District

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

NOTE 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. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$250,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 December 31, 2015 were \$1,686,109.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2015 (actuarial valuation date and measurement date) was \$11,719,069.

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, 2015, the balance in this account was \$185,003 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, 2015

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	Breathalyzer	Jail Fees
ASSETS										
Cash and cash equivalents	\$ 70,978	\$ 212,484	\$ 9,726	\$ 41,111	\$ 24,297	\$ 181,035	\$ 25,669	\$ 69,613	\$ 4,952	\$ 28,839
Accounts receivable	36,014	160,822	1,330		4,133	72,738	624	629		14,283
TOTAL ASSETS	\$ 106,992	\$ 373,306	\$ 11,056	\$ 41,111	\$ 28,430	\$ 253,773	\$ 26,293	\$ 70,242	\$ 4,952	\$ 43,122
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 2,561	\$ 1				\$ 1,036		\$ 242		
Settlements pending										
Total Liabilities	2,561	1				1,036		242		
Fund Balances:										
Restricted	104,431	373,305	\$ 11,056	\$ 41,111	\$ 28,430	252,737	\$ 26,293	70,000	\$ 4,952	\$ 43,122
Committed										
Total Fund Balances	104,431	373,305	11,056	41,111	28,430	252,737	26,293	70,000	4,952	43,122
TOTAL LIABILITIES AND FUND BALANCES	\$ 106,992	\$ 373,306	\$ 11,056	\$ 41,111	\$ 28,430	\$ 253,773	\$ 26,293	\$ 70,242	\$ 4,952	\$ 43,122

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

SPECIAL REVENUE FUNDS

	Jail Booking	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation	Drug Court	Public Safety (Act 749 of 1983)	Juvenile Probation Fees
ASSETS									
Cash and cash equivalents	\$ 125,789	\$ 508,572	\$ 87,955	\$ 6,037	\$ 31,663	\$ 71,561	\$ 17,680	\$ 7,712	\$ 115,168
Accounts receivable	1,277	5,180	3,222	2,293	1,302	9,384	105	33	8,107
TOTAL ASSETS	\$ 127,066	\$ 513,752	\$ 91,177	\$ 8,330	\$ 32,965	\$ 80,945	\$ 17,785	\$ 7,745	\$ 123,275
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 3,166	\$ 982						\$ 1,944
Settlements pending									
Total Liabilities		3,166	982						1,944
Fund Balances:									
Restricted	\$ 127,066	510,586	90,195	\$ 8,330	\$ 32,965	\$ 80,945	\$ 17,785	\$ 7,745	121,331
Committed									
Total Fund Balances	127,066	510,586	90,195	8,330	32,965	80,945	17,785	7,745	121,331
TOTAL LIABILITIES AND FUND BALANCES	\$ 127,066	\$ 513,752	\$ 91,177	\$ 8,330	\$ 32,965	\$ 80,945	\$ 17,785	\$ 7,745	\$ 123,275

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

SPECIAL REVENUE FUNDS

	Juvenile Court Representation	Voting System Grant	Circuit Clerk Commissioner's Fee	Emergency Squad	Museum	Road Sales Tax	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax
ASSETS									
Cash and cash equivalents	\$ 698	\$ 5	\$ 1,193	\$ 225,074	\$ 63,853	\$ 9,003,872	\$ 1,098,048	\$ 6,889	\$ 1,155,972
Accounts receivable	2		589	6,438	4,675	405,154	10,926		388,998
TOTAL ASSETS	\$ 700	\$ 5	\$ 1,782	\$ 231,512	\$ 68,528	\$ 9,409,026	\$ 1,108,974	\$ 6,889	\$ 1,544,970
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 468	\$ 3,117	\$ 70,418			\$ 33,813
Settlements pending									
Total Liabilities				468	3,117	70,418			33,813
Fund Balances:									
Restricted	\$ 700	\$ 5	\$ 1,782	231,044				\$ 6,889	
Committed					65,411	9,338,608	\$ 1,108,974		1,511,157
Total Fund Balances	700	5	1,782	231,044	65,411	9,338,608	1,108,974	6,889	1,511,157
TOTAL LIABILITIES AND FUND BALANCES	\$ 700	\$ 5	\$ 1,782	\$ 231,512	\$ 68,528	\$ 9,409,026	\$ 1,108,974	\$ 6,889	\$ 1,544,970

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

SPECIAL REVENUE FUNDS

	Public Safety Answering Point	Jail Fines	Juvenile Court Programs Grant	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security	Juvenile Court Grant Non Fed/State	Library Sales Tax	Vilonia Community Safe Room
ASSETS									
Cash and cash equivalents	\$ 240,034	\$ 193,953	\$ 12,190	\$ 3,708	\$ 13	\$ 29	\$ 1,803	\$ 50,944	\$ 28,208
Accounts receivable	817	19,939	64	8	4		167	176	98
TOTAL ASSETS	\$ 240,851	\$ 213,892	\$ 12,254	\$ 3,716	\$ 17	\$ 29	\$ 1,970	\$ 51,120	\$ 28,306
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 115	\$ 163	\$ 409	\$ 114			\$ 653	\$ 24,482	
Settlements pending									
Total Liabilities	115	163	409	114			653	24,482	
Fund Balances:									
Restricted	240,736	213,729	11,845	3,602	\$ 17	\$ 29	1,317		\$ 28,306
Committed								26,638	
Total Fund Balances	240,736	213,729	11,845	3,602	17	29	1,317	26,638	28,306
TOTAL LIABILITIES AND FUND BALANCES	\$ 240,851	\$ 213,892	\$ 12,254	\$ 3,716	\$ 17	\$ 29	\$ 1,970	\$ 51,120	\$ 28,306

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

Schedule 1

	SPECIAL REVENUE FUNDS							
	Mayflower Highway 89 Water Extension	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Delinquency Pass Through Grant - Federal	Juvenile Court Accountability Block Grant - Federal	Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal	Communication Facility and Equipment	County Library
ASSETS								
Cash and cash equivalents	\$ 1,383	\$ 148	\$ 1,937	\$ 7,630	\$ 852	\$ 407	\$ 426,739	\$ 2,101,227
Accounts receivable		11	7	26	1,788	2		69,784
TOTAL ASSETS	\$ 1,383	\$ 159	\$ 1,944	\$ 7,656	\$ 2,640	\$ 409	\$ 426,739	\$ 2,171,011
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 14,963
Settlements pending								
Total Liabilities								<u>14,963</u>
Fund Balances:								
Restricted	\$ 1,383	\$ 159	\$ 1,944	\$ 7,656	\$ 2,640	\$ 409	\$ 426,739	2,156,048
Committed								
Total Fund Balances	<u>1,383</u>	<u>159</u>	<u>1,944</u>	<u>7,656</u>	<u>2,640</u>	<u>409</u>	<u>426,739</u>	<u>2,156,048</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,383	\$ 159	\$ 1,944	\$ 7,656	\$ 2,640	\$ 409	\$ 426,739	\$ 2,171,011

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2015

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	\$ 6,224,124	\$ 685,575	\$ 461,433	\$ 86,256	\$ 1,618,144	\$ 7,453	\$ 25,350,635
Accounts receivable							1,231,149
TOTAL ASSETS	\$ 6,224,124	\$ 685,575	\$ 461,433	\$ 86,256	\$ 1,618,144	\$ 7,453	\$ 26,581,784
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 158,647
Settlements pending	\$ 6,224,124	\$ 685,575	\$ 461,433	\$ 86,256	\$ 1,618,144	\$ 7,453	9,082,985
Total Liabilities	6,224,124	685,575	461,433	86,256	1,618,144	7,453	9,241,632
Fund Balances:							
Restricted							5,289,364
Committed							12,050,788
Total Fund Balances							17,340,152
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,224,124	\$ 685,575	\$ 461,433	\$ 86,256	\$ 1,618,144	\$ 7,453	\$ 26,581,784

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, 2015

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	Child Support	Game and Fish Education
REVENUES									
State aid				\$ 14,151					\$ 4,460
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 15,573						
Interest	\$ 240	\$ 1,208	36	64	\$ 143	\$ 629	\$ 114	\$ 356	
Officers' fees					49,800	770,147	5,789	8,507	
911 fees									
Treasurer's commission	82,289								
Collector's commission		160,000							
Other					25	1,089			
TOTAL REVENUES	82,529	161,208	15,609	14,215	49,968	771,865	5,903	8,863	4,460
Less: Treasurer's commission		1	137		411	6,571	49	72	
NET REVENUES	82,529	161,207	15,472	14,215	49,557	765,294	5,854	8,791	4,460
EXPENDITURES									
Current:									
General government	31,042	91,937			48,708	572,966		9,674	4,460
Law enforcement									
Highways and streets									
Public safety									
Recreation and culture									
TOTAL EXPENDITURES	31,042	91,937			48,708	572,966		9,674	4,460
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	51,487	69,270	15,472	14,215	849	192,328	5,854	(883)	0
OTHER FINANCING SOURCES (USES)									
Transfers in						25,300			
Transfers out		(7,200)	(15,000)	(8,504)	(3,900)	(72,600)		(2,500)	
TOTAL OTHER FINANCING SOURCES (USES)		(7,200)	(15,000)	(8,504)	(3,900)	(47,300)		(2,500)	

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, 2015

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	Child Support	Game and Fish Education
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 51,487	\$ 62,070	\$ 472	\$ 5,711	\$ (3,051)	\$ 145,028	\$ 5,854	\$ (3,383)	
FUND BALANCES - JANUARY 1	52,944	311,235	10,584	35,400	31,481	107,709	20,439	73,383	
FUND BALANCES - DECEMBER 31	<u>\$ 104,431</u>	<u>\$ 373,305</u>	<u>\$ 11,056</u>	<u>\$ 41,111</u>	<u>\$ 28,430</u>	<u>\$ 252,737</u>	<u>\$ 26,293</u>	<u>\$ 70,000</u>	<u>\$ 0</u>

FAULKNER COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 2

SPECIAL REVENUE FUNDS									
	Breathalyzer	Jail Fees	Jail Booking	Emergency 911	Fire Equipment and Training (Act 833)	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation
REVENUES									
State aid					\$ 85,098	\$ 3,329			
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 152,734	\$ 12,190			36,719	\$ 26,186	\$ 12,407	
Interest	\$ 7	73	535	\$ 2,632		417	15	201	\$ 220
Officers' fees									79,340
911 fees				193,473					
Treasurer's commission									
Collector's commission									
Other				319					
TOTAL REVENUES	7	152,807	12,725	196,424	85,098	40,465	26,201	12,608	79,560
Less: Treasurer's commission		988	108	1,976		298	207	108	641
NET REVENUES	7	151,819	12,617	194,448	85,098	40,167	25,994	12,500	78,919
EXPENDITURES									
Current:									
General government									
Law enforcement						33,270	38,863		
Highways and streets									
Public safety				243,918	85,098				
Recreation and culture									
TOTAL EXPENDITURES				243,918	85,098	33,270	38,863		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7	151,819	12,617	(49,470)	0	6,897	(12,869)	12,500	78,919
OTHER FINANCING SOURCES (USES)									
Transfers in							18,500		
Transfers out		(150,000)		(18,013)			(7,200)	(18,500)	(10,767)
TOTAL OTHER FINANCING SOURCES (USES)		(150,000)		(18,013)			11,300	(18,500)	(10,767)

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, 2015

Schedule 2

SPECIAL REVENUE FUNDS

	Breathalyzer	Jail Fees	Jail Booking	Emergency 911	Fire Equipment and Training (Act 833)	Public Defender	Victim/Witness	Public Defender Investigator	District Court Probation
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 7	\$ 1,819	\$ 12,617	\$ (67,483)		\$ 6,897	\$ (1,569)	\$ (6,000)	\$ 68,152
FUND BALANCES - JANUARY 1	4,945	41,303	114,449	578,069		83,298	9,899	38,965	12,793
FUND BALANCES - DECEMBER 31	<u>\$ 4,952</u>	<u>\$ 43,122</u>	<u>\$ 127,066</u>	<u>\$ 510,586</u>	<u>\$ 0</u>	<u>\$ 90,195</u>	<u>\$ 8,330</u>	<u>\$ 32,965</u>	<u>\$ 80,945</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, 2015

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	\$ 4,500						\$ 14,667	\$ 6,625	
Federal aid									\$ 8,788
Property taxes							106,517	83,811	
Sales taxes									4,268,269
Fines, forfeitures, and costs		\$ 186	\$ 6,760						
Interest	64	37	619	\$ 3		\$ 17	888	234	59,086
Officers' fees			131,170			3,736			
911 fees									
Treasurer's commission									
Collector's commission									
Other	4,898					37		935	227,480
TOTAL REVENUES	9,462	223	138,549	3		3,790	122,072	91,605	4,563,623
Less: Treasurer's commission	42	2	1,219			67	956	1,379	27,739
NET REVENUES	9,420	221	137,330	3		3,723	121,116	90,226	4,535,884
EXPENDITURES									
Current:									
General government									
Law enforcement			161,588						
Highways and streets									8,143,830
Public safety							90,101		
Recreation and culture								69,517	
TOTAL EXPENDITURES			161,588				90,101	69,517	8,143,830
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,420	221	(24,258)	3		3,723	31,015	20,709	(3,607,946)
OTHER FINANCING SOURCES (USES)									
Transfers in			21,045						
Transfers out			(14,486)			(6,800)		(7,200)	
TOTAL OTHER FINANCING SOURCES (USES)			6,559			(6,800)		(7,200)	

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, 2015

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
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 9,420	\$ 221	\$ (17,699)	\$ 3		\$ (3,077)	\$ 31,015	\$ 13,509	\$ (3,607,946)
FUND BALANCES - JANUARY 1	<u>8,365</u>	<u>7,524</u>	<u>139,030</u>	<u>697</u>	<u>\$ 5</u>	<u>4,859</u>	<u>200,029</u>	<u>51,902</u>	<u>12,946,554</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 17,785</u></u>	<u><u>\$ 7,745</u></u>	<u><u>\$ 121,331</u></u>	<u><u>\$ 700</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 1,782</u></u>	<u><u>\$ 231,044</u></u>	<u><u>\$ 65,411</u></u>	<u><u>\$ 9,338,608</u></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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Public Safety Answering Point	Jail Fines	Juvenile Court Programs Grant	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security
REVENUES									
State aid			\$ 9,520					\$ 20,783	
Federal aid			177,398						
Property taxes	\$ 135,189								
Sales taxes			4,268,269						
Fines, forfeitures, and costs	660	\$ 3,533			\$ 258,185				
Interest	4,601	16	5,626	\$ 973	1,089	\$ 93	\$ 13	4	
Officers' fees									
911 fees				304,526					
Treasurer's commission									
Collector's commission									
Other	408		53,428	28,804			2,480		
TOTAL REVENUES	140,858	3,549	4,514,241	334,303	259,274	93	2,493	20,787	
Less: Treasurer's commission	1,121		27,700	104	2,294				
NET REVENUES	139,737	3,549	4,486,541	334,199	256,980	93	2,493	20,787	
EXPENDITURES									
Current:									
General government									
Law enforcement		10,000	4,251,129		176,475	8,700	1,743		
Highways and streets									
Public safety				310,655					
Recreation and culture									
TOTAL EXPENDITURES		10,000	4,251,129	310,655	176,475	8,700	1,743		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	139,737	(6,451)	235,412	23,544	80,505	(8,607)	750	20,787	
OTHER FINANCING SOURCES (USES)									
Transfers in			317,880	1,200	15,476				
Transfers out			(591,805)	(21,709)	(180,909)	(42)		(20,783)	
TOTAL OTHER FINANCING SOURCES (USES)			(273,925)	(20,509)	(165,433)	(42)		(20,783)	

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, 2015

Schedule 2

SPECIAL REVENUE FUNDS

	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Public Safety Answering Point	Jail Fines	Juvenile Court Programs Grant	Juvenile Court Grant	Juvenile Jail Grant	Circuit/District Court Security
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 139,737	\$ (6,451)	\$ (38,513)	\$ 3,035	\$ (84,928)	\$ (8,649)	\$ 750	\$ 4	
FUND BALANCES - JANUARY 1	969,237	13,340	1,549,670	237,701	298,657	20,494	2,852	13	\$ 29
FUND BALANCES - DECEMBER 31	<u>\$ 1,108,974</u>	<u>\$ 6,889</u>	<u>\$ 1,511,157</u>	<u>\$ 240,736</u>	<u>\$ 213,729</u>	<u>\$ 11,845</u>	<u>\$ 3,602</u>	<u>\$ 17</u>	<u>\$ 29</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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Juvenile Court Grant Non Fed/State	Library Sales Tax	Vilonia Community Safe Room	Mayflower Highway 89 Water Extension	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Delinquency Pass Through Grant - Federal	Juvenile Court Accountability Block Grant - Federal	Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal
REVENUES									
State aid									
Federal aid					\$ 216,742			\$ 1,785	
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest		\$ 256	\$ 138		12	\$ 9	\$ 37	4	\$ 2
Officers' fees									
911 fees									
Treasurer's commission									
Collector's commission									
Other	\$ 2,167								
TOTAL REVENUES	2,167	256	138		216,754	9	37	1,789	2
Less: Treasurer's commission									
NET REVENUES	2,167	256	138		216,754	9	37	1,789	2
EXPENDITURES									
Current:									
General government									
Law enforcement	850								
Highways and streets									
Public safety					216,742				
Recreation and culture		36,478							
TOTAL EXPENDITURES	850	36,478			216,742				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,317	(36,222)	138		12	9	37	1,789	2
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									

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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS								
	Juvenile Court Grant Non Fed/State	Library Sales Tax	Vilonia Community Safe Room	Mayflower Highway 89 Water Extension	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Delinquency Pass Through Grant - Federal	Juvenile Court Accountability Block Grant - Federal	Edward Byrne Memorial Justice Assistance Grant (MJA) - Federal
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1,317	\$ (36,222)	\$ 138		\$ 12.00	\$ 9.00	\$ 37.00	\$ 1,789.00	\$ 2.00
FUND BALANCES - JANUARY 1		62,860	28,168	\$ 1,383	147	1,935	7,619	851	407
FUND BALANCES - DECEMBER 31	<u>\$ 1,317</u>	<u>\$ 26,638</u>	<u>\$ 28,306</u>	<u>\$ 1,383</u>	<u>\$ 159</u>	<u>\$ 1,944</u>	<u>\$ 7,656</u>	<u>\$ 2,640</u>	<u>\$ 409</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, 2015

Schedule 2

SPECIAL REVENUE FUNDS				
	Justice Assistance Grant (JAG) - Federal	Communication Facility and Equipment	County Library	Totals
REVENUES				
State aid			\$ 172,412	\$ 335,545
Federal aid	\$ 3,150			407,863
Property taxes			1,525,698	1,851,215
Sales taxes				8,536,538
Fines, forfeitures, and costs				525,133
Interest		\$ 16	8,629	89,356
Officers' fees		248,668		1,297,157
911 fees				497,999
Treasurer's commission				82,289
Collector's commission				160,000
Other			109,193	431,263
TOTAL REVENUES	3,150	248,684	1,815,932	14,214,358
Less: Treasurer's commission			14,322	88,512
NET REVENUES	3,150	248,684	1,801,610	14,125,846
EXPENDITURES				
Current:				
General government				758,787
Law enforcement		239,077		4,921,695
Highways and streets				8,143,830
Public safety				946,514
Recreation and culture			1,470,612	1,576,607
TOTAL EXPENDITURES		239,077	1,470,612	16,347,433
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,150	9,607	330,998	(2,221,587)
OTHER FINANCING SOURCES (USES)				
Transfers in				399,401
Transfers out	(3,150)		(179,849)	(1,340,917)
TOTAL OTHER FINANCING SOURCES (USES)	(3,150)		(179,849)	(941,516)

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, 2015

Schedule 2

	SPECIAL REVENUE FUNDS			
	Justice Assistance Grant (JAG) - Federal	Communication Facility and Equipment	County Library	Totals
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		\$ 9,607.00	\$ 151,149.00	\$ (3,163,103.00)
FUND BALANCES - JANUARY 1		417,132	2,004,899	20,503,255
FUND BALANCES - DECEMBER 31	\$ 0	\$ 426,739	\$ 2,156,048	\$ 17,340,152

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2015

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

Fund Name	Fund Description
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 Arkansas Constitution, Amendment no. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate automated records system.
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.
Child Support	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Game and Fish Education	Established to receive state game and fish funds that are to be disbursed to the appropriate school districts. As of July 22, 2015, this law was repealed by Act 371.
Breathalyzer	Ark. Code Ann. § 16-10-307 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, 2015

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

Fund Name	Fund Description
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.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the county to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.
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.

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2015

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

Fund Name	Fund Description
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
Emergency Squad	Faulkner County Ordinance no. 77-23 (June 7, 1977) established fund to provide emergency services to the County.
Museum	Faulkner County Ordinance no. 01-11 (April 18, 2001) established a voluntary millage to support the county museum.
Road Sales Tax	Faulkner County Ordinance no. 99-24 (December 28, 1999) and 99-25 (December 28, 1999) established fund to receive road sales tax to be used to construct and maintain roads in the County.
Animal Control	Faulkner County Ordinance no. 05-11 (May 17, 2005) established a fund to be used for animal control.
Federal Drug Forfeiture	Ark. Code Ann. § 5-64-505 established fund to receive federal drug seizure cases.
Criminal Justice Sales Tax	Faulkner County Ordinance no. 99-24 (December 28, 1999) and 99-25 (December 28, 1999) established fund to receive sales tax to be used for criminal justice purposes.
Public Safety Answering Point	Ark. Code Ann. § 12-10-305 established fund to be used to provide an answering system for emergency calls.
Jail Fines	Faulkner County Ordinance no. 03-14 (July 16, 2003) established fund to help defray the expense of incarcerating prisoners in the County Jail as authorized by Ark. Code Ann. § 16-17-209.
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 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.

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2015

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

Fund Name	Fund Description
Vilonia Community Safe Room	Established to account for Arkansas Community Foundation grant for a safe room in Vilonia.
Mayflower Highway 89 Water Extension	Established to account for federal grant for Mayflower Hwy 89 water extension.
Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	Established to account for federal grant for Law Enforcement Terrorism Prevention Activities (LETPA) CFDA 97.067.
State Homeland Security Grant Program - Federal	Established to account for federal grant for Law Enforcement State Homeland Security Grant Program (SHSGP) CFDA 97.067.
Juvenile 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.
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.
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.

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

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

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

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

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

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

FAULKNER COUNTY, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2015
 (Unaudited)

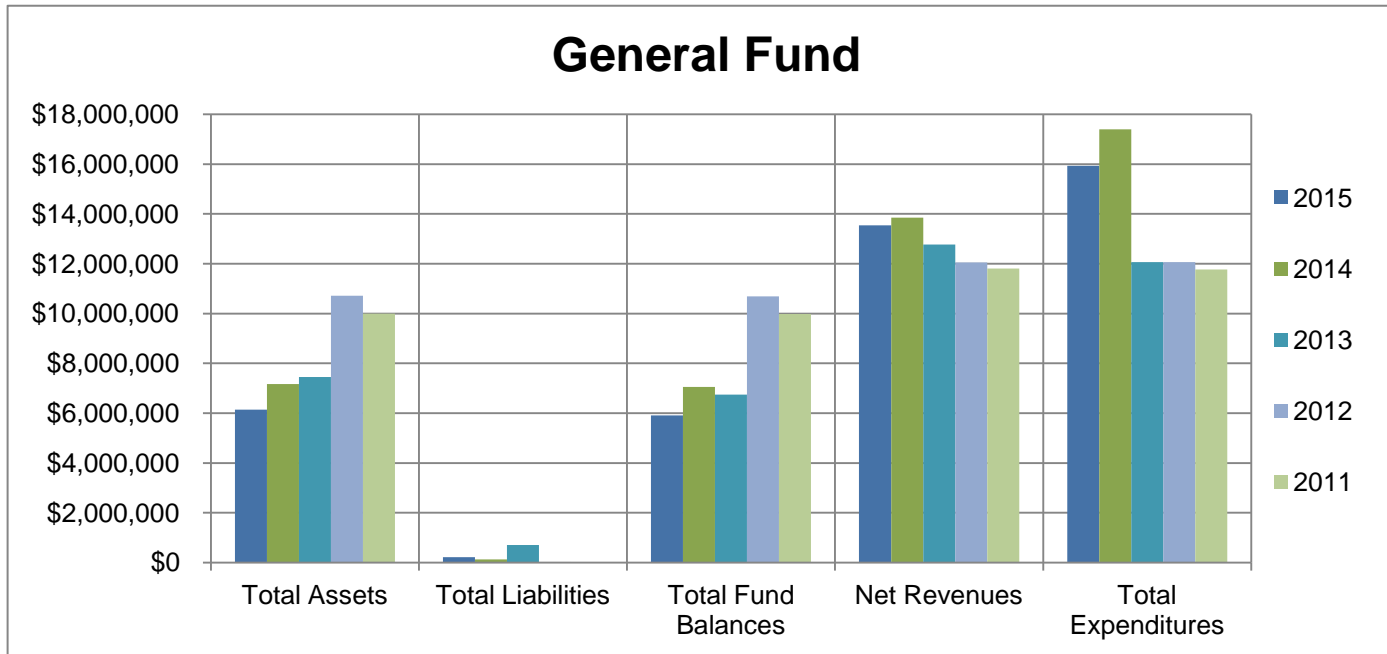
Schedule 3

	<u>December 31, 2015</u>
General Fixed Assets	
Land and buildings	\$ 17,603,566
Construction in progress	9,511,094
Equipment	<u>15,529,252</u>
Total	<u>42,643,912</u>
Fixed Assets- Library	
Land and buildings	4,057,390
Equipment	<u>323,090</u>
Total	<u>4,380,479</u>
Fixed Assets - Museum	
Land and buildings	105,000
Equipment	<u>17,417</u>
Total	<u>122,417</u>
Total Capital Assets	<u><u>\$ 47,146,808</u></u>

FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2015
 (Unaudited)

Schedule 4-1

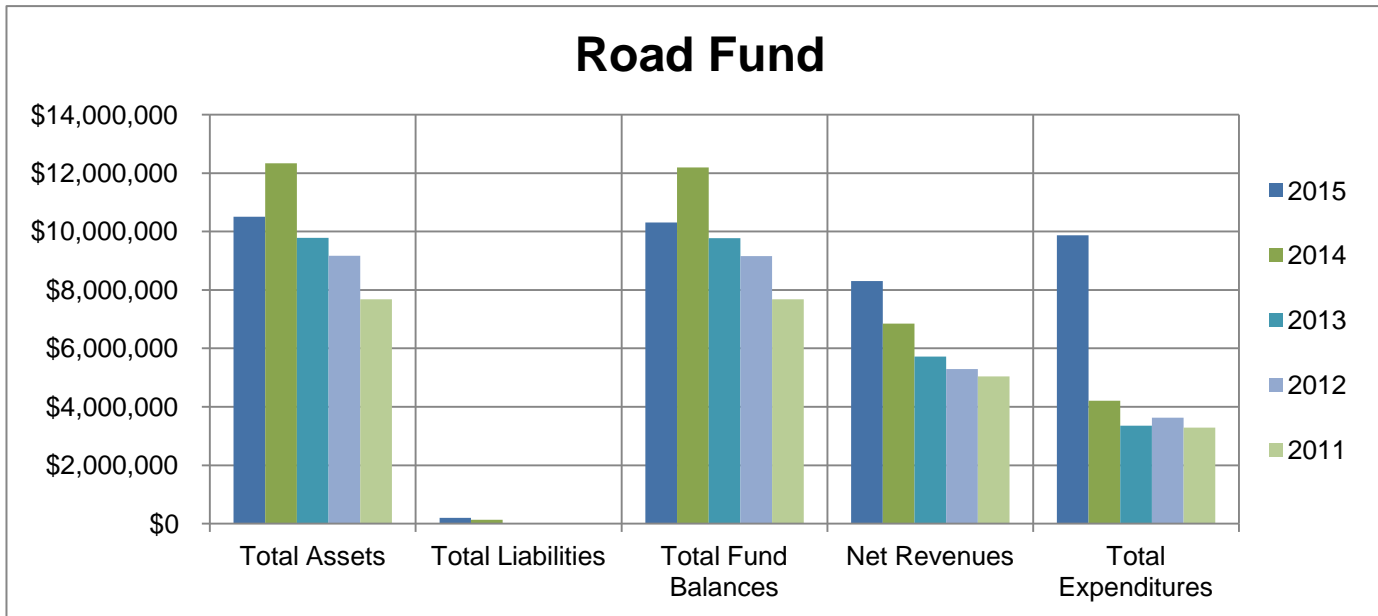
<u>General</u>	2015	2014	2013	2012	2011
Total Assets	\$ 6,134,506	\$ 7,174,076	\$ 7,448,175	\$ 10,707,748	\$ 9,989,558
Total Liabilities	222,834	127,712	705,505	23,469	9,500
Total Fund Balances	5,911,672	7,046,364	6,742,670	10,684,279	9,980,058
Net Revenues	13,543,908	13,843,179	12,765,365	12,049,994	11,812,115
Total Expenditures	15,936,115	17,392,948	12,058,477	12,058,477	11,770,573
Total Other Financing Sources/Uses	1,257,515	3,853,463	5,006,637	777,510	1,119,286



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2015
 (Unaudited)

Schedule 4-2

<u>Road</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Assets	\$ 10,509,986	\$ 12,334,435	\$ 9,784,201	\$ 9,167,076	\$ 7,682,956
Total Liabilities	199,591	139,318	8,680	6,256	
Total Fund Balances	10,310,395	12,195,117	9,775,521	9,160,820	7,682,956
Net Revenues	8,301,464	6,852,087	5,719,967	5,291,806	5,037,549
Total Expenditures	9,870,187	4,206,830	3,350,371	3,631,748	3,288,069
Total Other Financing Sources/Uses	(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, 2015
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Assets	\$ 26,581,784	\$ 27,921,742	\$ 23,522,166	\$ 21,561,037	\$ 20,690,425
Total Liabilities	9,241,632	7,429,446	6,548,662	5,778,814	5,635,881
Total Fund Balances	17,340,152	20,492,296	16,973,504	15,782,223	15,054,544
Net Revenues	14,125,846	13,487,641	13,319,642	13,027,393	12,549,643
Total Expenditures	16,347,433	8,822,606	11,074,100	11,560,799	9,930,091
Total Other Financing Sources/Uses	(941,516)	(1,146,243)	(1,055,657)	(777,510)	(418,135)

