

Faulkner County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



FAULKNER COUNTY, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Faulkner County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis 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, 2021; 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.

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 section of our report, the accompanying regulatory basis 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 the general fund, road fund, and other funds in the aggregate of Faulkner County, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 and pervasive.

Responsibilities of Management 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The 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
February 23, 2023
LOCO02321

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gasaway
House Chair
Rep. Richard Womack
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 regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Faulkner County, Arkansas (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated February 23, 2023. 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.

Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

Report on 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 laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 February 23, 2023.

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 results 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



Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
February 23, 2023

Arkansas



Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
House Chair
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Roger A. Norman, JD, CPA, CFE, CFF
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 2021:

County Judge: Jim Baker
Treasurer: Scott Sanson
Sheriff: Tim Ryals
Tax Collector: Sherry Koonce
County Clerk: Margaret Darter
Circuit Clerk: Crystal Taylor
Assessor: Krissy Lewis
County Librarian: John McGraw

No issues came to our attention that we considered necessary to report to management.

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

Handwritten signature of Timothy R. Jones in black ink.

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
February 23, 2023

FAULKNER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 10,179,390	\$ 5,160,613	\$ 34,180,867
Accounts receivable	1,090,244	243,982	560,933
	<u>11,269,634</u>	<u>5,404,595</u>	<u>34,741,800</u>
TOTAL ASSETS			
	<u>\$ 11,269,634</u>	<u>\$ 5,404,595</u>	<u>\$ 34,741,800</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 272,410	\$ 923,376	\$ 305,601
Settlements pending			7,095,264
Total Liabilities	<u>272,410</u>	<u>923,376</u>	<u>7,400,865</u>
Fund Balances:			
Restricted	1,816,879	4,481,219	20,462,306
Committed			6,980,509
Assigned	4,353,272		
Unassigned	4,827,073		(101,880)
Total Fund Balances	<u>10,997,224</u>	<u>4,481,219</u>	<u>27,340,935</u>
TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ 11,269,634</u>	<u>\$ 5,404,595</u>	<u>\$ 34,741,800</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, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,589,332	\$ 4,660,889	\$ 711,153
Federal aid	24,376	61,810	13,571,375
Property taxes	8,425,528	3,257,719	2,242,918
Sales taxes			11,913,358
Fines, forfeitures, and costs	941,462		486,276
Interest	51,594	26,841	114,879
Officers' fees	124,039		1,562,746
Franchise fees	1,495		
Insurance premiums collected	3,819,874		
911 fees			983,813
Jail fees	941,536		25,810
Natural gas severance tax		252,393	
Treasurer's commission	252,235		50,000
Collector's commission	433,301		250,000
Taxes apportioned - Assessor's salary and expense	1,384,299		47,789
Other	1,141,292	15,307	171,845
TOTAL REVENUES	19,130,363	8,274,959	32,131,962
Less: Treasurer's commission	71,750	46,649	97,704
NET REVENUES	19,058,613	8,228,310	32,034,258
EXPENDITURES			
Current:			
General government	6,945,255		2,134,320
Law enforcement	8,877,438		7,659,015
Highways and streets	25,475	8,451,319	3,807,992
Public safety	81,045		812,279
Health	45,059		
Recreation and culture	24,102		2,429,631
Social services	149,508		97,672
TOTAL EXPENDITURES	16,147,882	8,451,319	16,940,909
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,910,731	(223,009)	15,093,349
FUND BALANCES - JANUARY 1	8,086,493	4,704,228	12,247,586
FUND BALANCES - DECEMBER 31	<u>\$ 10,997,224</u>	<u>\$ 4,481,219</u>	<u>\$ 27,340,935</u>

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

FAULKNER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,315,000	\$ 1,589,332	\$ 274,332	\$ 4,248,000	\$ 4,660,889	\$ 412,889
Federal aid		24,376	24,376		61,810	61,810
Property taxes	8,200,150	8,425,528	225,378	3,034,950	3,257,719	222,769
Fines, forfeitures, and costs	722,000	941,462	219,462			
Interest	35,000	51,594	16,594	40,000	26,841	(13,159)
Officers' fees	126,000	124,039	(1,961)			
Franchise fees		1,495	1,495			
Insurance premiums collected	3,730,700	3,819,874	89,174			
Jail fees	717,000	941,536	224,536			
Natural gas severance tax					252,393	252,393
Treasurer's commission		252,235	252,235			
Collector's commission		433,301	433,301			
Taxes apportioned - Assessor's salary and expense	2,282,633	1,384,299	(898,334)			
Other	783,191	1,141,292	358,101	95,000	15,307	(79,693)
TOTAL REVENUES	17,911,674	19,130,363	1,218,689	7,417,950	8,274,959	857,009
Less: Treasurer's commission		71,750	(71,750)		46,649	(46,649)
NET REVENUES	17,911,674	19,058,613	1,146,939	7,417,950	8,228,310	810,360
EXPENDITURES						
Current:						
General government	9,186,414	6,945,255	2,241,159			
Law enforcement	9,765,901	8,877,438	888,463			
Highways and streets	26,575	25,475	1,100	11,138,058	8,451,319	2,686,739
Public safety	138,389	81,045	57,344			
Health		45,059	(45,059)			
Recreation and culture	24,302	24,102	200			
Social services	149,508	149,508	0			
TOTAL EXPENDITURES	19,291,089	16,147,882	3,143,207	11,138,058	8,451,319	2,686,739
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,379,415)	2,910,731	4,290,146	(3,720,108)	(223,009)	3,497,099
OTHER FINANCING SOURCES (USES)						
Transfers in	636,347		(636,347)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(743,068)	2,910,731	3,653,799	(3,720,108)	(223,009)	3,497,099
FUND BALANCES - JANUARY 1	7,266,425	8,086,493	820,068	4,484,604	4,704,228	219,624
FUND BALANCES - DECEMBER 31	\$ 6,523,357	\$ 10,997,224	\$ 4,473,867	\$ 764,496	\$ 4,481,219	\$ 3,716,723

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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 and other requirements 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.

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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, as well as county sales taxes, 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. Pension trust funds are reported in a separate column as part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash 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)	\$ 2,089,621	\$ 2,091,976
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	47,281,501	48,064,494
Uncollateralized	145,528	356,079
Total Deposits	\$ 49,516,650	\$ 50,512,549

The above total deposits do not include cash on hand of \$4,220.

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, 2021, \$356,079 of the County Library's bank balances were exposed to custodial credit risk. As of report date, the County Library's bank accounts are collateralized eliminating future exposure to custodial credit risk.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 8,143		\$ 36,289
Federal aid	863	\$ 22,611	8,984
Property taxes	285,927	112,144	81,754
Fines, forfeitures, and costs	48,356		33,445
Interest	514		
Officers' fees	11,601		91,372
Jail fees	5,580		1,770
Franchise fees	750		
Insurance premiums collected	448		
911 fees			24,836
Treasurer's commission			50,000
Collector's commission	433,301		
Taxes apportioned - Assessor's salary and expense	29,780		
Other	97,008		4,457
Treasurer's commission charged	167,973	109,227	228,026
Totals	<u>\$ 1,090,244</u>	<u>\$ 243,982</u>	<u>\$ 560,933</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 272,410</u>	<u>\$ 923,376</u>	<u>\$ 305,601</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government	\$ 1,807,192		\$ 14,306,504
Law enforcement	9,687		1,137,891
Highways and streets		\$ 4,481,219	
Public safety			2,558,488
Recreation and culture			2,259,044
Social services			200,379
Total Restricted	<u>1,816,879</u>	<u>4,481,219</u>	<u>20,462,306</u>
Committed for:			
Law enforcement			3,346,986
Highways and streets			3,570,751
Recreation and culture			62,772
Total Committed			<u>6,980,509</u>
Assigned to:			
General government	4,312,828		
Law enforcement	40,444		
Total Assigned	<u>4,353,272</u>		
Unassigned	<u>4,827,073</u>		<u>(101,880)</u>
Totals	<u>\$ 10,997,224</u>	<u>\$ 4,481,219</u>	<u>\$ 27,340,935</u>

NOTE 7: Deficit Fund Balance

The following fund has a deficit fund balances as of December 31, 2021:

	December 31, 2021
Other Funds in the Aggregate:	
eCrash Highway Safety Grant	<u>\$ (101,880)</u>

NOTE 8: 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, 2021, the legal debt limit for bonded debt was \$193,269,369. 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, 2021, the legal debt limit for short-term financing obligations was \$50,456,082. There were no short-term financing obligations.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2021:

	December 31, 2021
Long-term liabilities	\$ 543,176
Reappraisal contract	2,426,184
 Total Commitments	 \$ 2,969,360

Long-term Liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	December 31, 2021
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 543,176

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.

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on November 15, 2021, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$67,394 for a total of \$2,426,184 beginning January 15, 2022. Contract expense for 2021 was \$461,700.

The County is obligated for the following amounts at December 31, 2021:

Year	December 31, 2021
2022	\$ 808,728
2023	808,728
2024	808,728
 Total	 \$ 2,426,184

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 2021. 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, 2021

NOTE 11: Jointly Governed Organizations

Twentieth Judicial Drug Crime Task Force

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

Property Program – This program is a blanket policy with coverage up to \$1,100,000,000 for any one loss with a \$1,000 deductible. The County shall pay into the program each year a charge established by the Risk Management Fund Board for covered county property.

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Risk Management (Continued)

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, 2021, (date of APERS Employer Allocation Report) were \$1,945,981.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are 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, 2021, (actuarial valuation date and measurement date) was \$4,890,559.

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, 2021, the balance in this account was \$1,807,192 and is reflected in the financial statements as part of the General Fund's restricted fund balance.

NOTE 15: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The County was awarded \$24,475,383 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$24,475,383 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 16: Federal Funds Program Compliance

The grants of American Rescue Plan Act, Coronavirus Aid, Relief, and Economic Security Act, State Homeland Security Grant, Juvenile Court Grant, Community Oriented Policing Services (COPS) Hiring Program Grant, Federal Emergency Management Agency (FEMA) Flood Mitigation Assistance Grant, Juvenile Court Grant, Juvenile Drug Court Grant, and Justice Assistance Grant were not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County. The County has contracted for a federal compliance audit for 2021.

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk Cost	Court Recorder's Cost	Sheriff's Automation	County Library	Reappraisal Cost
ASSETS									
Cash and cash equivalents	\$ 223,283	\$ 941,752	\$ 3,352	\$ 103,400	\$ 42,115	\$ 973,875	\$ 1,144	\$ 2,188,851	
Accounts receivable	50,017	63	1,052	573	4,840	96,702	603	88,753	\$ 36,296
TOTAL ASSETS	\$ 273,300	\$ 941,815	\$ 4,404	\$ 103,973	\$ 46,955	\$ 1,070,577	\$ 1,747	\$ 2,277,604	\$ 36,296
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 962	\$ 4,316		\$ 4	\$ 3,434	\$ 1,311		\$ 18,560	
Settlements pending									
Total Liabilities	962	4,316		4	3,434	1,311		18,560	
Fund Balances:									
Restricted	272,338	937,499	\$ 4,404	103,969	43,521	1,069,266	\$ 1,747	2,259,044	\$ 36,296
Committed									
Unassigned									
Total Fund Balances	272,338	937,499	4,404	103,969	43,521	1,069,266	1,747	2,259,044	36,296
TOTAL LIABILITIES AND FUND BALANCES	\$ 273,300	\$ 941,815	\$ 4,404	\$ 103,973	\$ 46,955	\$ 1,070,577	\$ 1,747	\$ 2,277,604	\$ 36,296

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS									
	Child Support	Drug Control	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator
ASSETS									
Cash and cash equivalents	\$ 90,168	\$ 5,447	\$ 1,107	\$ 73,389	\$ 9,590	\$ 2,074,161	\$ 119,493	\$ 38,475	\$ 99,893
Accounts receivable	166	21		32,706	2,122	36,174	2,714	2,332	1,063
TOTAL ASSETS	\$ 90,334	\$ 5,468	\$ 1,107	\$ 106,095	\$ 11,712	\$ 2,110,335	\$ 122,207	\$ 40,807	\$ 100,956
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 85					\$ 208	\$ 1,645	\$ 11	
Settlements pending									
Total Liabilities	85					208	1,645	11	
Fund Balances:									
Restricted	90,249	\$ 5,468	\$ 1,107	\$ 106,095	\$ 11,712	2,110,127	120,562	40,796	\$ 100,956
Committed									
Unassigned									
Total Fund Balances	90,249	5,468	1,107	106,095	11,712	2,110,127	120,562	40,796	100,956
TOTAL LIABILITIES AND FUND BALANCES	\$ 90,334	\$ 5,468	\$ 1,107	\$ 106,095	\$ 11,712	\$ 2,110,335	\$ 122,207	\$ 40,807	\$ 100,956

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS

	District Court Probation	Drug Court Program	Public Safety (Act 749 of 1983)	Circuit Court Juvenile Division	Juvenile Court Representation	Voting System Grant	Circuit Clerk Commissioner's Fees	Tax Assessor Late Assessment Fee	Drug Control Fund- Prosecuting Attorney
ASSETS									
Cash and cash equivalents	\$ 145,816	\$ 52,901	\$ 10,656	\$ 3,268	\$ 749	\$ 5	\$ 18,279	\$ 36,238	\$ 98,518
Accounts receivable	3,577	71	40	2,762			74	71	12
TOTAL ASSETS	\$ 149,393	\$ 52,972	\$ 10,696	\$ 6,030	\$ 749	\$ 5	\$ 18,353	\$ 36,309	\$ 98,530
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 449	\$ 1		\$ 1,211					
Settlements pending									
Total Liabilities	449	1		1,211					
Fund Balances:									
Restricted	148,944	52,971	\$ 10,696	4,819	\$ 749	\$ 5	\$ 18,353	\$ 36,309	\$ 98,530
Committed									
Unassigned									
Total Fund Balances	148,944	52,971	10,696	4,819	749	5	18,353	36,309	98,530
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,393	\$ 52,972	\$ 10,696	\$ 6,030	\$ 749	\$ 5	\$ 18,353	\$ 36,309	\$ 98,530

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS

	American Rescue Plan Act	Emergency Squad	Museum	Road Sales Tax	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax	Teen Court	Juvenile Court Grant
ASSETS									
Cash and cash equivalents	\$ 11,537,338	\$ 440,585	\$ 59,583	\$ 3,615,177	\$ 1,411,702	\$ 3,373	\$ 1,929,315	\$ 14,899	\$ 2,542
Accounts receivable		5,860	4,290	88,117	7,684	1	83,582	8	
TOTAL ASSETS	\$ 11,537,338	\$ 446,445	\$ 63,873	\$ 3,703,294	\$ 1,419,386	\$ 3,374	\$ 2,012,897	\$ 14,907	\$ 2,542
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 12,323	\$ 1,101	\$ 132,543	\$ 5,520		\$ 79,777		
Settlements pending									
Total Liabilities		12,323	1,101	132,543	5,520		79,777		
Fund Balances:									
Restricted	\$ 11,537,338	434,122				\$ 3,374		\$ 14,907	\$ 2,542
Committed			62,772	3,570,751	1,413,866		1,933,120		
Unassigned									
Total Fund Balances	11,537,338	434,122	62,772	3,570,751	1,413,866	3,374	1,933,120	14,907	2,542
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,537,338	\$ 446,445	\$ 63,873	\$ 3,703,294	\$ 1,419,386	\$ 3,374	\$ 2,012,897	\$ 14,907	\$ 2,542

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS								
	Soil Conservation	Extension Office	Federal Emergency Management Agency (FEMA) Flood Mitigation Assistance Grant	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Court Programs Grant	Juvenile Court Grants	Jail Juvenile Grant	Juvenile Delinquency Pass Through Grant
ASSETS									
Cash and cash equivalents	\$ 106,496	\$ 91,941	\$ 161,254	\$ 188	\$ 37,464	\$ 865	\$ 197	\$ 42,546	\$ 574
Accounts receivable	4,304	4,283							
TOTAL ASSETS	\$ 110,800	\$ 96,224	\$ 161,254	\$ 188	\$ 37,464	\$ 865	\$ 197	\$ 42,546	\$ 574
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,456	\$ 5,189			\$ 35,492				
Settlements pending									
Total Liabilities	1,456	5,189			35,492				
Fund Balances:									
Restricted	109,344	91,035	\$ 161,254	\$ 188	1,972	\$ 865	\$ 197	\$ 42,546	\$ 574
Committed									
Unassigned									
Total Fund Balances	109,344	91,035	161,254	188	1,972	865	197	42,546	574
TOTAL LIABILITIES AND FUND BALANCES	\$ 110,800	\$ 96,224	\$ 161,254	\$ 188	\$ 37,464	\$ 865	\$ 197	\$ 42,546	\$ 574

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS									
	Juvenile Court Accountability Block Grant	Circuit/District Court Security Grant	Edward Byrne Memorial Justice Assistance Grant (MJA)	Justice Assistance Grant (JAG) - Federal	Juvenile Court Grant (Non Federal/State)	Juvenile Drug Court Grant	Local Law Enforcement Block Grant	Juvenile Officer Grant	Elections Grant (Non Federal/State)
ASSETS									
Cash and cash equivalents	\$ 7,728	\$ 189	\$ 414	\$ 40	\$ 10,776	\$ 2,947	\$ 2	\$ 11,033	\$ 105
Accounts receivable									
TOTAL ASSETS	\$ 7,728	\$ 189	\$ 414	\$ 40	\$ 10,776	\$ 2,947	\$ 2	\$ 11,033	\$ 105
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable								\$ 3	
Settlements pending									
Total Liabilities								3	
Fund Balances:									
Restricted	\$ 7,728	\$ 189	\$ 414	\$ 40	\$ 10,776	\$ 2,947	\$ 2	11,030	\$ 105
Committed									
Unassigned									
Total Fund Balances	7,728	189	414	40	10,776	2,947	2	11,030	105
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,728	\$ 189	\$ 414	\$ 40	\$ 10,776	\$ 2,947	\$ 2	\$ 11,033	\$ 105

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS

	Non State/Non Federal Grant	Community Oriented Policing Services (COPS) Hiring Program Grant	Coronavirus Relief - Sheriff	Circuit Grant (Non Federal/State)	First Division Grant (Non Federal/State)	eCrash Highway Safety Grant	Communication Facility & Equipment	Mayflower Hwy 89 Water Ext
ASSETS								
Cash and cash equivalents	\$ 11	\$ 22,307	\$ 49	\$ 2	\$ 662	\$ (101,880)	\$ 317,871	\$ 1,383
Accounts receivable								
TOTAL ASSETS	\$ 11	\$ 22,307	\$ 49	\$ 2	\$ 662	\$ (101,880)	\$ 317,871	\$ 1,383
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 11	\$ 22,307	\$ 49	\$ 2	\$ 662		\$ 317,871	\$ 1,383
Committed								
Unassigned						\$ (101,880)		
Total Fund Balances	11	22,307	49	2	662	(101,880)	317,871	1,383
TOTAL LIABILITIES AND FUND BALANCES	\$ 11	\$ 22,307	\$ 49	\$ 2	\$ 662	\$ (101,880)	\$ 317,871	\$ 1,383

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

<u>CUSTODIAL FUNDS</u>							
	<u>Treasurer's Accounts</u>	<u>Collector's Accounts</u>	<u>Sheriff's Accounts</u>	<u>County Clerk's Accounts</u>	<u>Circuit Clerk's Accounts</u>	<u>Juvenile Court Accounts</u>	<u>Totals</u>
ASSETS							
Cash and cash equivalents	\$ 4,646,364	\$ 679,555	\$ 593,262	\$ 176,298	\$ 988,711	\$ 11,074	\$ 34,180,867
Accounts receivable							560,933
TOTAL ASSETS	<u>\$ 4,646,364</u>	<u>\$ 679,555</u>	<u>\$ 593,262</u>	<u>\$ 176,298</u>	<u>\$ 988,711</u>	<u>\$ 11,074</u>	<u>\$ 34,741,800</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 305,601
Settlements pending	\$ 4,646,364	\$ 679,555	\$ 593,262	\$ 176,298	\$ 988,711	\$ 11,074	7,095,264
Total Liabilities	<u>4,646,364</u>	<u>679,555</u>	<u>593,262</u>	<u>176,298</u>	<u>988,711</u>	<u>11,074</u>	<u>7,400,865</u>
Fund Balances:							
Restricted							20,462,306
Committed							6,980,509
Unassigned							(101,880)
Total Fund Balances							<u>27,340,935</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,646,364</u>	<u>\$ 679,555</u>	<u>\$ 593,262</u>	<u>\$ 176,298</u>	<u>\$ 988,711</u>	<u>\$ 11,074</u>	<u>\$ 34,741,800</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, 2021

Schedule 2

SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk Cost	Court Recorder's Cost	Sheriff's Automation	County Library
REVENUES								
State aid				\$ 40,267				\$ 193,507
Federal aid								385,532
Property taxes								1,765,804
Sales taxes								
Fines, forfeitures, and costs			\$ 11,182					
Interest	\$ 1,245	\$ 4,470	38	616	\$ 140	\$ 6,815	\$ 20	10,974
Officers' fees					61,532	1,078,259	6,098	
911 fees								
Jail fees								
Treasurer's commission	50,000							
Collector's commission		250,000						
Taxes apportioned - Assessor's salary and expense								
Other						341		74,131
TOTAL REVENUES	51,245	254,470	11,220	40,883	61,672	1,085,415	6,118	2,429,948
Less: Treasurer's commission	7	26	67	245	351	6,558	35	11,413
NET REVENUES	51,238	254,444	11,153	40,638	61,321	1,078,857	6,083	2,418,535
EXPENDITURES								
Current:								
General government	45,002	186,309		28,817	37,428	1,234,932		
Law enforcement			12,000				6,300	
Highways and streets								
Public safety								
Recreation and culture								2,289,462
Social services								
TOTAL EXPENDITURES	45,002	186,309	12,000	28,817	37,428	1,234,932	6,300	2,289,462
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,236	68,135	(847)	11,821	23,893	(156,075)	(217)	129,073
FUND BALANCES - JANUARY 1	266,102	869,364	5,251	92,148	19,628	1,225,341	1,964	2,129,971
FUND BALANCES - DECEMBER 31	<u>\$ 272,338</u>	<u>\$ 937,499</u>	<u>\$ 4,404</u>	<u>\$ 103,969</u>	<u>\$ 43,521</u>	<u>\$ 1,069,266</u>	<u>\$ 1,747</u>	<u>\$ 2,259,044</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, 2021

Schedule 2

SPECIAL REVENUE FUNDS								
	Reappraisal Cost	Child Support	Drug Control	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Emergency 911	Public Defender
REVENUES								
State aid	\$ 418,561							\$ 2,809
Federal aid							\$ 18,342	
Property taxes	8							
Sales taxes								
Fines, forfeitures, and costs			\$ 8,731		\$ 390,121			34,734
Interest		\$ 467	20	\$ 5	326	\$ 59	8,709	632
Officers' fees		6,307						
911 fees							983,813	
Jail fees						25,810		
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense	44,675							
Other			1,500		629		60,410	350
TOTAL REVENUES	463,244	6,774	10,251	5	391,076	25,869	1,071,274	38,525
Less: Treasurer's commission		40	9		2,325	150	1,005	189
NET REVENUES	463,244	6,734	10,242	5	388,751	25,719	1,070,269	38,336
EXPENDITURES								
Current:								
General government	461,700	1,068						
Law enforcement			6,477		375,000	20,300		33,771
Highways and streets								
Public safety							435,529	
Recreation and culture								
Social services								
TOTAL EXPENDITURES	461,700	1,068	6,477		375,000	20,300	435,529	33,771
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,544	5,666	3,765	5	13,751	5,419	634,740	4,565
FUND BALANCES - JANUARY 1	34,752	84,583	1,703	1,102	92,344	6,293	1,475,387	115,997
FUND BALANCES - DECEMBER 31	<u>\$ 36,296</u>	<u>\$ 90,249</u>	<u>\$ 5,468</u>	<u>\$ 1,107</u>	<u>\$ 106,095</u>	<u>\$ 11,712</u>	<u>\$ 2,110,127</u>	<u>\$ 120,562</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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Victim/Witness	Public Defender Investigator	District Court Probation	Drug Court Program	Public Safety (Act 749 of 1983)	Circuit Court Juvenile Division	Juvenile Court Representation	Voting System Grant
REVENUES								
State aid								
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs	\$ 25,989	\$ 11,296			\$ 217	\$ 2,393		
Interest	201	495	\$ 870	\$ 265	56	7	\$ 4	
Officers' fees			33,948			26,491		
911 fees								
Jail fees								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other	326			4,810				
TOTAL REVENUES	26,516	11,791	34,818	5,075	273	28,891	4	
Less: Treasurer's commission	469	70	196	30	2	176		
NET REVENUES	26,047	11,721	34,622	5,045	271	28,715	4	
EXPENDITURES								
Current:								
General government								
Law enforcement	26,424	1,400	62,912	291		23,948		
Highways and streets								
Public safety								
Recreation and culture								
Social services								
TOTAL EXPENDITURES	26,424	1,400	62,912	291		23,948		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(377)	10,321	(28,290)	4,754	271	4,767	4	
FUND BALANCES - JANUARY 1	41,173	90,635	177,234	48,217	10,425	52	745	\$ 5
FUND BALANCES - DECEMBER 31	<u>\$ 40,796</u>	<u>\$ 100,956</u>	<u>\$ 148,944</u>	<u>\$ 52,971</u>	<u>\$ 10,696</u>	<u>\$ 4,819</u>	<u>\$ 749</u>	<u>\$ 5</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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Circuit Clerk Commissioner's Fees	Tax Assessor Late Assessment Fee	Drug Control Fund- Prosecuting Attorney	American Rescue Plan Act	Emergency Squad	Museum	Road Sales Tax	Animal Control
REVENUES								
State aid					\$ 9,734			
Federal aid				\$ 12,237,691			\$ 116,761	
Property taxes		\$ 1,719			104,625	\$ 77,863		\$ 137,103
Sales taxes							5,956,679	
Fines, forfeitures, and costs								1,113
Interest	\$ 92	175	\$ 863	42,782	2,057	219	12,832	8,553
Officers' fees	2,352							
911 fees								
Jail fees								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense		3,114						
Other					27	21	4,457	36
TOTAL REVENUES	2,444	5,008	863	12,280,473	116,443	78,103	6,090,729	146,805
Less: Treasurer's commission	15	30	5		671	448	35,730	845
NET REVENUES	2,429	4,978	858	12,280,473	115,772	77,655	6,054,999	145,960
EXPENDITURES								
Current:								
General government				133,934				
Law enforcement			139,733	406,619				470,004
Highways and streets				119,315			3,688,677	
Public safety				13,365	59,220			
Recreation and culture				69,902		70,267		
Social services								
TOTAL EXPENDITURES			139,733	743,135	59,220	70,267	3,688,677	470,004
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,429	4,978	(138,875)	11,537,338	56,552	7,388	2,366,322	(324,044)
FUND BALANCES - JANUARY 1	15,924	31,331	237,405		377,570	55,384	1,204,429	1,737,910
FUND BALANCES - DECEMBER 31	<u>\$ 18,353</u>	<u>\$ 36,309</u>	<u>\$ 98,530</u>	<u>\$ 11,537,338</u>	<u>\$ 434,122</u>	<u>\$ 62,772</u>	<u>\$ 3,570,751</u>	<u>\$ 1,413,866</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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							Federal Emergency Management Agency (FEMA) Flood Mitigation Assistance Grant	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal
	Federal Drug Forfeiture	Criminal Justice Sales Tax	Teen Court	Juvenile Court Grant	Soil Conservation	Extension Office			
REVENUES									
State aid									
Federal aid								\$ 165,384	
Property taxes					\$ 78,099	\$ 77,697			
Sales taxes		\$ 5,956,679							
Fines, forfeitures, and costs			\$ 500						
Interest	\$ 46	7,237	79	\$ 16	341	430			
Officers' fees									
911 fees									
Jail fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other		14,752	5,000	225	21	21			
TOTAL REVENUES	46	5,978,668	5,579	241	78,461	78,148		165,384	
Less: Treasurer's commission		35,696	3		450	448			
NET REVENUES	46	5,942,972	5,576	241	78,011	77,700		165,384	
EXPENDITURES									
Current:									
General government								4,130	
Law enforcement	9,028	5,314,503	3,522	858					
Highways and streets									
Public safety									
Recreation and culture									
Social services					41,534	56,138			
TOTAL EXPENDITURES	9,028	5,314,503	3,522	858	41,534	56,138		4,130	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,982)	628,469	2,054	(617)	36,477	21,562		161,254	
FUND BALANCES - JANUARY 1	12,356	1,304,651	12,853	3,159	72,867	69,473			\$ 188
FUND BALANCES - DECEMBER 31	\$ 3,374	\$ 1,933,120	\$ 14,907	\$ 2,542	\$ 109,344	\$ 91,035		\$ 161,254	\$ 188

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							Edward Byrne Memorial Justice Assistance Grant (MJA)
	State Homeland Security Grant Program - Federal	Juvenile Court Programs Grant	Juvenile Court Grants	Jail Juvenile Grant	Juvenile Delinquency Pass Through Grant	Juvenile Court Accountability Block Grant	Circuit/District Court Security Grant	
REVENUES								
State aid				\$ 20,783			\$ 15,000	
Federal aid	\$ 304,165		\$ 4,902					
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest	2	\$ 5	1	237	\$ 3	\$ 40	21	
Officers' fees								
911 fees								
Jail fees								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other								
TOTAL REVENUES	304,167	5	4,903	21,020	3	40	15,021	
Less: Treasurer's commission								
NET REVENUES	304,167	5	4,903	21,020	3	40	15,021	
EXPENDITURES								
Current:								
General government								
Law enforcement			4,866	20,700			15,000	
Highways and streets								
Public safety	304,165							
Recreation and culture								
Social services								
TOTAL EXPENDITURES	304,165		4,866	20,700			15,000	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2	5	37	320	3	40	21	
FUND BALANCES - JANUARY 1	1,970	860	160	42,226	571	7,688	168	\$ 414
FUND BALANCES - DECEMBER 31	<u>\$ 1,972</u>	<u>\$ 865</u>	<u>\$ 197</u>	<u>\$ 42,546</u>	<u>\$ 574</u>	<u>\$ 7,728</u>	<u>\$ 189</u>	<u>\$ 414</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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Justice Assistance Grant (JAG) - Federal	Juvenile Court Grant (Non Federal/State)	Juvenile Drug Court Grant	Local Law Enforcement Block Grant	Juvenile Officer Grant	Elections Grant (Non Federal/State)	Non State/Non Federal Grant	Community Oriented Policing Services (COPS) Hiring Program Grant
REVENUES								
State aid					\$ 10,492			
Federal aid	\$ 12,712		\$ 1,196	\$ 2,550			\$ 11,582	\$ 300,000
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest		\$ 61	16		59		6	523
Officers' fees								
911 fees								
Jail fees								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other			2,960					
TOTAL REVENUES	12,712	61	4,172	2,550	10,551		11,588	300,523
Less: Treasurer's commission								
NET REVENUES	12,712	61	4,172	2,550	10,551		11,588	300,523
EXPENDITURES								
Current:								
General government								
Law enforcement		932	3,603	2,550	7,064		20,082	278,216
Highways and streets								
Public safety								
Recreation and culture								
Social services								
TOTAL EXPENDITURES		932	3,603	2,550	7,064		20,082	278,216
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,712	(871)	569		3,487		(8,494)	22,307
FUND BALANCES - JANUARY 1	(12,672)	11,647	2,378	2	7,543	\$ 105	8,505	
FUND BALANCES - DECEMBER 31	<u>\$ 40</u>	<u>\$ 10,776</u>	<u>\$ 2,947</u>	<u>\$ 2</u>	<u>\$ 11,030</u>	<u>\$ 105</u>	<u>\$ 11</u>	<u>\$ 22,307</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, 2021

Schedule 2

SPECIAL REVENUE FUNDS							
	Coronavirus Relief - Sheriff	Circuit Grant (Non Federal/State)	First Division Grant (Non Federal/State)	eCrash Highway Safety Grant	Communication Facility & Equipment	Mayflower Hwy 89 Water Ext	Totals
REVENUES							
State aid							\$ 711,153
Federal aid	\$ 8,008				\$ 2,550		13,571,375
Property taxes							2,242,918
Sales taxes							11,913,358
Fines, forfeitures, and costs							486,276
Interest	49	\$ 2	\$ 2		1,696		114,879
Officers' fees					347,759		1,562,746
911 fees							983,813
Jail fees							25,810
Treasurer's commission							50,000
Collector's commission							250,000
Taxes apportioned - Assessor's salary and expense							47,789
Other		1,000	660		168		171,845
TOTAL REVENUES	8,057	1,002	662		352,173		32,131,962
Less: Treasurer's commission							97,704
NET REVENUES	8,057	1,002	662		352,173		32,034,258
EXPENDITURES							
Current:							
General government		1,000					2,134,320
Law enforcement	58,008			\$ 101,880	233,024		7,659,015
Highways and streets							3,807,992
Public safety							812,279
Recreation and culture							2,429,631
Social services							97,672
TOTAL EXPENDITURES	58,008	1,000		101,880	233,024		16,940,909
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,951)	2	662	(101,880)	119,149		15,093,349
FUND BALANCES - JANUARY 1	50,000				198,722	\$ 1,383	12,247,586
FUND BALANCES - DECEMBER 31	<u>\$ 49</u>	<u>\$ 2</u>	<u>\$ 662</u>	<u>\$ (101,880)</u>	<u>\$ 317,871</u>	<u>\$ 1,383</u>	<u>\$ 27,340,935</u>

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2021

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 Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
Court Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
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.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
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. § 16-10-307 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, 2021

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 90% of a \$40 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 or for certificate pay for law enforcement and jailer personnel.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund 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. § 16-10-307 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 Program	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.
Circuit Court Juvenile Division	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 Fees	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, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Tax Assessor Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Drug Control Fund- Prosecuting Attorney	Ark. Code Ann. § 5-54-505 established fund to receive asset forfeitures resulting from drug offense cases due to Prosecuting Attorney.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
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 to the Teen Court.
Juvenile Court Grant	Established to account for donations administered by juvenile courts.
Soil Conservation	Established to disburse tax monies to the Faulkner County Soil Conservation Service, which offers programs to help reduce soil erosion, enhance water supplies, improve water quality, increase wildlife habitats and reduce damages caused by floods and other disasters.
Extension Office	Established to disburse tax monies to the Faulkner County Cooperative Extension Service, which offers educational programs to strengthen agriculture, communities, and families.
Federal Emergency Management Agency (FEMA) Flood Mitigation Assistance Grant	Established to account for federal flood mitigation assistance grant.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	Established to account for federal grant for Law Enforcement Terrorism Prevention Activities (LETPA) CFDA 97.067.
State Homeland Security Grant Program - Federal	Established to account for federal grant for Law Enforcement State Homeland Security Grant Program (SHSGP) CFDA 97.067.
Juvenile Court Programs Grant	Established to account for federal grant for juvenile courts.
Juvenile Court Grants	Established to account for federal grant for juvenile courts.
Jail Juvenile Grant	Established to account for state grant for juvenile incarceration.
Juvenile Delinquency Pass Through Grant	Established to account for federal grant for Juvenile Justice and Delinquency Prevention CFDA 16.540.
Juvenile Court Accountability Block Grant	Established to account for federal grant for Juvenile Accountability Grant (JAG) CFDA 16.523.
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.
Edward Byrne Memorial Justice Assistance Grant (MJA)	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 Court Grant (Non Federal/State)	Established to receive juvenile court grants from private organizations.
Juvenile Drug Court Grant	Established to account for federal grant for juvenile drug courts.
Local Law Enforcement Block Grant	Established to account for a grant received from the State of Arkansas for local law enforcement programs.
Juvenile Officer Grant	Established to account for a state grant awarded by the Administrative Office of the Courts for the Juvenile Officer Grant.
Elections Grant (Non Federal/State)	Established a fund to receive a grant from the Center for Tech and Civic Life, to be used exclusively for the public purpose of planning and operationalizing safe and secure election administration in Faulkner County.
Non State/Non Federal Grant	Faulkner County Ordinance no. 20-17 (July 21, 2020) established fund to account for the COPS Hiring Program Grant from the Department of Justice and Arvest Bank Foundation Grant donations for the Sheriff Department.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Community Oriented Policing Services (COPS) Hiring Program Grant	Established to account for federal funds received from the COPS Hiring Program.
Coronavirus Relief - Sheriff	Established to account for the Coronavirus Emergency Supplemental Funding provided by the Bureau of Justice Assistance.
Circuit Grant (Non Federal/State)	Established to account for non federal/state grant received from The Blue & You Foundation for a Healthier Arkansas.
First Division Grant (Non Federal/State)	Established to account for Court Improvement Program's Courtroom Projection Project grant.
eCrash Highway Safety Grant	Established to account for eCrash Highway Safety grant.
Communication Facility & 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.
Mayflower Hwy 89 Water Ext	Established to account for federal grant for Mayflower Highway 89 water extension.

Treasurer's accounts consist primarily of treasurer's and collector's commission 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, and inmate trust money.

County Clerk's accounts consist primarily of trust money.

Circuit Clerk's accounts consist primarily of trust money.

Juvenile Court accounts consist primarily of settlements due to the county and/or state.

FAULKNER COUNTY, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2021
 (Unaudited)

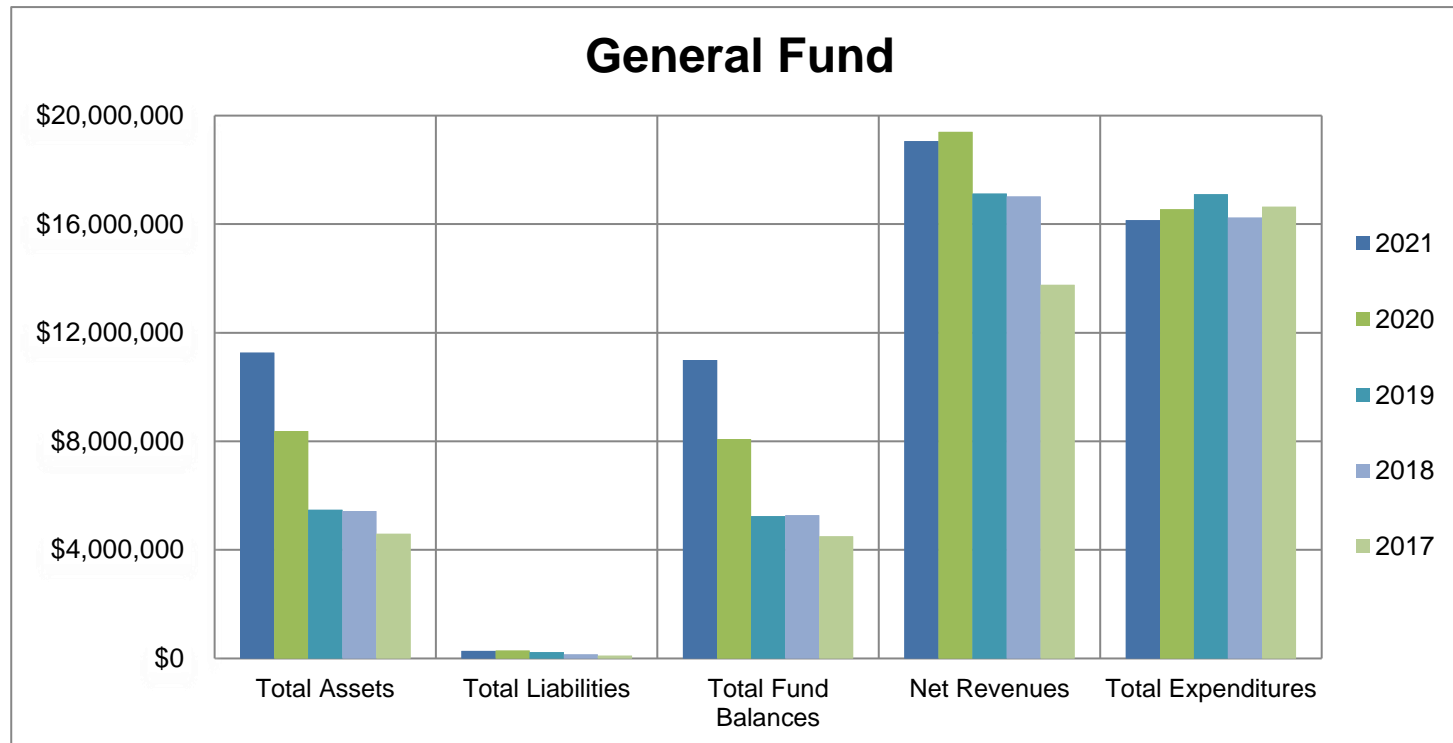
Schedule 3

	<u>December 31, 2021</u>
General Fixed Assets	
Land and Buildings	\$ 30,989,265
Equipment	<u>18,404,902</u>
Total	<u>49,394,167</u>
Fixed Assets - Library	
Land and Buildings	4,061,419
Equipment	<u>383,562</u>
Total	<u>4,444,981</u>
Fixed Assets - Museum	
Land and Buildings	105,000
Equipment	<u>5,798</u>
Total	<u>110,798</u>
Grand Total	<u><u>\$ 53,949,946</u></u>

FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2021
 (Unaudited)

Schedule 4-1

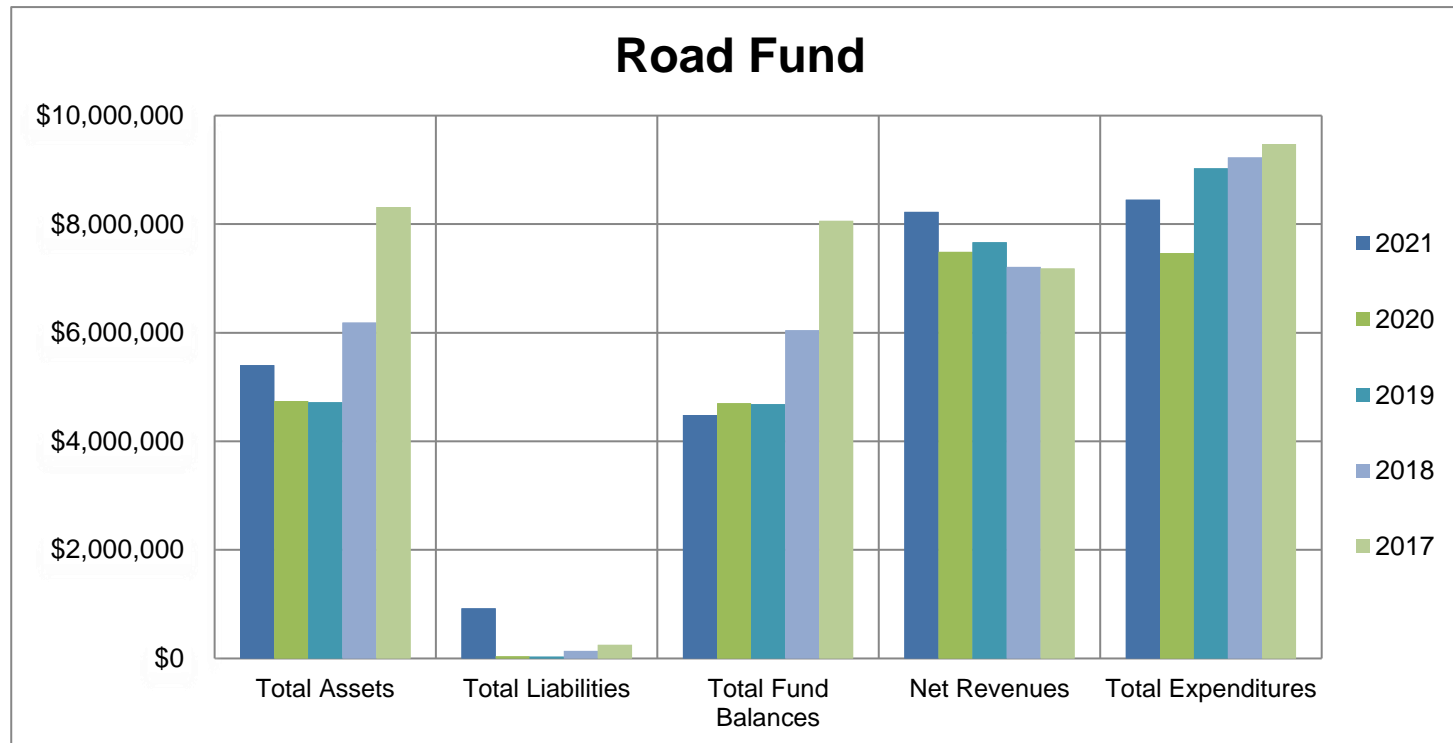
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 11,269,634	\$ 8,376,670	\$ 5,472,062	\$ 5,424,868	\$ 4,596,920
Total Liabilities	272,410	290,177	232,407	147,195	96,789
Total Fund Balances	10,997,224	8,086,493	5,239,655	5,277,673	4,500,131
Net Revenues	19,058,613	19,397,951	17,129,773	17,016,058	13,771,058
Total Expenditures	16,147,882	16,551,113	17,096,083	16,238,516	16,639,395
Total Other Financing Sources/Uses			(71,708)		1,343,480



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2021
 (Unaudited)

Schedule 4-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 5,404,595	\$ 4,742,966	\$ 4,717,778	\$ 6,187,119	\$ 8,313,740
Total Liabilities	923,376	38,738	35,200	141,230	250,707
Total Fund Balances	4,481,219	4,704,228	4,682,578	6,045,889	8,063,033
Net Revenues	8,228,310	7,488,300	7,664,327	7,210,660	7,184,677
Total Expenditures	8,451,319	7,466,650	9,027,638	9,227,804	9,475,933
Total Other Financing Sources/Uses					(404,914)



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2021
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2021	2020	2019	2018	2017
Total Assets	\$ 34,741,800	\$ 19,229,197	\$ 19,320,566	\$ 23,617,877	\$ 24,724,492
Total Liabilities	7,400,865	6,981,611	7,739,251	10,847,760	11,342,028
Total Fund Balances	27,340,935	12,247,586	11,581,315	12,770,117	13,382,464
Net Revenues	32,034,258	16,969,567	15,279,267	15,874,416	15,700,128
Total Expenditures	16,940,909	16,303,296	16,539,777	16,486,763	13,482,602
Total Other Financing Sources/Uses			71,708		(938,566)

