

Faulkner County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2022

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, 2022, 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, 2022; 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, 2022, 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 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022 the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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 December 4, 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
December 4, 2023
LOCO02322

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

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, 2022, 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 December 4, 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 December 4, 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
December 4, 2023

Arkansas

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



Rep. Jimmy Gazaway
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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 relate(s) to the following officials who held office during 2022:

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

A handwritten signature in black ink that reads "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
December 4, 2023

FAULKNER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 11,421,571	\$ 5,072,692	\$ 46,534,233
Investments	994,627		
Accounts receivable	<u>914,300</u>	<u>237,439</u>	<u>575,227</u>
TOTAL ASSETS	<u>\$ 13,330,498</u>	<u>\$ 5,310,131</u>	<u>\$ 47,109,460</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 426,412	\$ 185,302	\$ 960,250
Settlements pending			6,956,739
Total Liabilities	<u>426,412</u>	<u>185,302</u>	<u>7,916,989</u>
Fund Balances:			
Restricted	2,037,160	5,124,829	31,969,318
Committed			7,208,482
Assigned	5,404,967		15,641
Unassigned	<u>5,461,959</u>		<u>(970)</u>
Total Fund Balances	<u>12,904,086</u>	<u>5,124,829</u>	<u>39,192,471</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,330,498</u>	<u>\$ 5,310,131</u>	<u>\$ 47,109,460</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, 2022

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,948,323	\$ 5,340,968	\$ 902,667
Federal aid	51,107	44,999	13,367,806
Property taxes	9,089,874	3,505,206	2,274,852
Sales taxes			13,281,888
Fines, forfeitures, and costs	792,954		441,694
Interest	120,087	45,359	335,886
Officers' fees	125,070		1,386,830
Franchise fees	4,371		
Insurance premiums collected	3,839,572		
911 fees			987,674
Jail fees	1,001,002		15,980
Net increase/(decrease) in fair value of investments	4,612		
Treasurer's commission	283,316		75,000
Collector's commission	484,077		250,000
Taxes apportioned - Assessor's salary and expense	1,483,057		376,444
Other	1,175,529	202,208	220,125
TOTAL REVENUES	20,402,951	9,138,740	33,916,846
Less: Treasurer's commission	76,545	54,212	108,152
NET REVENUES	20,326,406	9,084,528	33,808,694
EXPENDITURES			
Current:			
General government	7,981,221		3,221,394
Law enforcement	10,140,539		7,857,037
Highways and streets		8,404,150	7,105,983
Public safety	102,017		826,941
Sanitation			298,571
Health	45,059		
Recreation and culture			2,536,255
Social services	150,708		110,977
Total Current	18,419,544	8,404,150	21,957,158
Debt Service:			
Financed purchase principal		29,348	
Financed purchase interest		7,420	
TOTAL EXPENDITURES	18,419,544	8,440,918	21,957,158
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,906,862	643,610	11,851,536
FUND BALANCES - JANUARY 1	10,997,224	4,481,219	27,340,935
FUND BALANCES - DECEMBER 31	<u>\$ 12,904,086</u>	<u>\$ 5,124,829</u>	<u>\$ 39,192,471</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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,817,178	\$ 1,948,323	\$ 131,145	\$ 4,521,000	\$ 5,340,968	\$ 819,968
Federal aid		51,107	51,107		44,999	44,999
Property taxes	8,844,500	9,089,874	245,374	3,260,000	3,505,206	245,206
Fines, forfeitures, and costs	962,000	792,954	(169,046)			
Interest	24,000	120,087	96,087	20,000	45,359	25,359
Officers' fees	126,500	125,070	(1,430)			
Franchise fees		4,371	4,371			
Insurance premiums collected	3,930,700	3,839,572	(91,128)			
Jail fees	885,000	1,001,002	116,002			
Net increase/(decrease) in fair value of investments		4,612	4,612			
Treasurer's commission		283,316	283,316			
Collector's commission		484,077	484,077			
Taxes apportioned - Assessor's salary and expense	2,500,000	1,483,057	(1,016,943)			
Other	1,188,668	1,175,529	(13,139)	95,000	202,208	107,208
TOTAL REVENUES	20,278,546	20,402,951	124,405	7,896,000	9,138,740	1,242,740
Less: Treasurer's commission		76,545	(76,545)		54,212	(54,212)
NET REVENUES	20,278,546	20,326,406	47,860	7,896,000	9,084,528	1,188,528
EXPENDITURES						
Current:						
General government	9,281,096	7,981,221	1,299,875			
Law enforcement	11,448,809	10,140,539	1,308,270			
Highways and streets				11,402,862	8,404,150	2,998,712
Public safety	136,069	102,017	34,052			
Health	45,059	45,059	0			
Social services	150,708	150,708	0			
Total Current	21,061,741	18,419,544	2,642,197	11,402,862	8,404,150	2,998,712
Debt Service:						
Financed purchase principal					29,348	(29,348)
Financed purchase interest					7,420	(7,420)
TOTAL EXPENDITURES	21,061,741	18,419,544	2,642,197	11,402,862	8,440,918	2,961,944

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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (783,195)	\$ 1,906,862	\$ 2,690,057	\$ (3,506,862)	\$ 643,610	\$ 4,150,472
OTHER FINANCING SOURCES (USES) Transfers in	886,347		(886,347)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	103,152	1,906,862	1,803,710	(3,506,862)	643,610	4,150,472
FUND BALANCES - JANUARY 1	10,421,385	10,997,224	575,839	4,239,584	4,481,219	241,635
FUND BALANCES - DECEMBER 31	\$ 10,524,537	\$ 12,904,086	\$ 2,379,549	\$ 732,722	\$ 5,124,829	\$ 4,392,107

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, and property 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, 2022

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.

In 2022, the County implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications

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, 2022

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)	\$ 2,727,505	\$ 2,772,515
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	57,046,516	58,058,005
Uncollateralized	3,253,225	3,253,225
Total Deposits	\$ 63,027,246	\$ 64,083,745

The above total deposits do not include cash on hand of \$1,250.

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. At December 31, 2022, the County had \$3,253,225 of uninsured, uncollateralized bank deposits that were unexposed to custodial credit risk. The balances exposed to custodial risk were deposited in investment accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

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: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2022 Fair Value
General	\$ 994,627

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4: Public Fund Investments (Continued)

The County's investments are composed of the following:

<u>December 31, 2022</u>	Quoted Prices in Active Markets for Identical Investments Level I
<u>Investment Type</u>	
US Treasury	<u>\$ 994,627</u>

The fair value of federated treasury obligations, money market obligations and the cash management fund is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources.

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2022, is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
State aid	\$ 6,764		\$ 36,289
Federal aid			2,954
Property taxes	311,104	\$ 116,018	99,278
Fines, forfeitures, and costs	40,796		24,494
Interest	1,672		
Officers' fees	9,632		65,504
Franchise fees	1,259		
Insurance premiums collected	690		
911 fees			24,137
Jail fees	84,830		820
Treasurer's commission	24,275		75,000
Collector's commission	54,522		
Taxes apportioned - Assessor's salary and expense	141,370		
Other	65,943		4,509
Treasurer's commission charged	171,443	121,421	242,242
Totals	<u>\$ 914,300</u>	<u>\$ 237,439</u>	<u>\$ 575,227</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2022, is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Vendor payables	<u>\$ 426,412</u>	<u>\$ 185,302</u>	<u>\$ 960,250</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government	\$ 2,037,160		\$ 25,782,505
Law enforcement			847,464
Highways and streets		\$ 5,124,829	
Public safety			3,155,014
Recreation and culture			1,976,937
Social services			207,398
Total Restricted	<u>2,037,160</u>	<u>5,124,829</u>	<u>31,969,318</u>
Committed for:			
Law enforcement			4,068,516
Highways and streets			3,100,331
Recreation and culture			39,635
Total Committed			<u>7,208,482</u>
Assigned to:			
General government	5,338,092		
Law enforcement	66,875		
Public safety			15,641
Total Assigned	<u>5,404,967</u>		<u>15,641</u>
Unassigned	<u>5,461,959</u>		<u>(970)</u>
Totals	<u>\$ 12,904,086</u>	<u>\$ 5,124,829</u>	<u>\$ 39,192,471</u>

NOTE 8: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2022:

	December 31, 2022
Other Funds in the Aggregate:	
Juvenile Drug Court Grant	<u>\$ (970)</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9: 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, 2022, the legal debt limit for bonded debt was \$209,214,724. 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, 2022, the legal debt limit for short-term financing obligations was \$54,404,049. The amount of short-term financing obligations was \$230,551 leaving a legal debt margin of \$54,173,498.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2022:

	December 31, 2022
Long-term liabilities	\$ 1,014,675
Reappraisal contract	1,617,456
 Total Commitments	 \$ 2,632,131

Long-term Liabilities

Long-term liabilities at December 31, 2022, are comprised of the following:

	December 31, 2022
<u>Direct Borrowings</u>	
Financed purchase agreement with Caterpillar Financial Services Corporation, dated August 17, 2021, in the amount of \$269,850, for the purchase of one 2021 Caterpillar 150-15 motor grader, with an interest rate of 2.99%, monthly payments of \$3,064 for 59 months. Final payment of \$118,344 due August 17, 2026. Payments are to be made from the County Road Fund.	\$ 230,551
Compensated absences consisting of accrued vacation adjusted to current salary cost	784,124
 Total Long-term liabilities	 \$ 1,014,675

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

The County's outstanding financed purchase from direct borrowings of \$230,551 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10: Commitments (Continued)

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Direct Borrow ings</u>					
8/17/21	8/17/26	2.99%	\$ 269,850	\$ 230,551	\$ 39,299

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
<u>Direct Borrow ings</u>				
Financed purchases	\$ 259,899	\$ 0	\$ 29,348	\$ 230,551

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Direct Borrow ings		
	Principal	Interest	Total
2023	\$ 30,238	\$ 6,530	\$ 36,768
2024	31,154	5,614	36,768
2025	32,098	4,669	36,767
2026	137,061	2,731	139,792
Totals	\$ 230,551	\$ 19,544	\$ 250,095

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 2022, was \$808,728.

The County is obligated for the following amounts at December 31, 2022:

Year	December 31, 2022
2023	\$ 808,728
2024	808,728
Total	\$ 1,617,456

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11: Joint Venture: Faulkner – Van Buren County Regional Library System

Faulkner and Van Buren Counties entered into an agreement on June 27, 2006 in accordance with Ark. Code Ann. § 13-2-401 to establish the Faulkner – Van Buren County Regional Library System. The agreement states that the Board of Trustees of the System shall be the governing body and shall have the power, authority and duties provided for in Act 742 of 1977. The Faulkner and Van Buren Library Boards will continue to be responsible for the supervision of their respective county library systems. The System shall be financed by the State Aid to which Faulkner and Van Buren counties are entitled. The County and branch library personnel for each county are the responsibility of each county's board with salaries to be paid from county funds. The County Library did not pay any regional library expenditures in 2022. Contact the Faulkner – Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

NOTE 12: 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 13: Risk Management

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

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

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

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 13: Risk Management (Continued)

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$500,000 per case with an annual aggregate of \$750,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

NOTE 14: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. 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, 2022, (date of APERS Employer Allocation Report) were \$ 2,150,607.

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, 2022, (actuarial valuation date and measurement date) was \$ 18,108,337.

FAULKNER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 15: Employee Self-Insured Benefit Plan

The County participates in an Employee Self-Insured Benefit Plan administered by CoreSource. The County is required to maintain a benefit plan account which will be sufficient at all times to fund plan benefits and plan related expenses. Insurance premiums collected represent county payments for employees' health insurance, payroll deductions for employee spouse and dependent coverage, and cobra payments received. As of December 31, 2022, the balance in this account was \$2,037,160 and is reflected in the financial statements as part of the General Fund's restricted fund balance.

NOTE 16: 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). In 2021, the County was awarded \$24,475,383 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$24,475,383 of this amount has been received. In 2022, the County was awarded \$100,000 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021. In 2022 and 2023, the County received funds in the amount of \$50,000 and \$50,000, respectively. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 17: Federal Funds Program Compliance

The grants of American Rescue Plan Act, Coronavirus Aid, Relief, and Economic Security Act, State Homeland Security Grant, Community Oriented Policing Services (COPS) Hiring Program Grant, Federal Emergency Management Agency (FEMA) Flood Mitigation Assistance Grant, Juvenile 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 is in the process of obtaining a federal compliance audit.

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

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	\$ 189,377	\$ 993,806	\$ 11,914	\$ 105,754	\$ 65,352	\$ 794,482	\$ 825	\$ 1,884,245	\$ (141)
Accounts receivable	75,028	137	701	578	7,142	66,072	506	112,493	36,289
TOTAL ASSETS	\$ 264,405	\$ 993,943	\$ 12,615	\$ 106,332	\$ 72,494	\$ 860,554	\$ 1,331	\$ 1,996,738	\$ 36,148
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,895	\$ 7,945			\$ 211	\$ 3,428		\$ 19,801	
Settlements pending									
Total Liabilities	1,895	7,945			211	3,428		19,801	
Fund Balances:									
Restricted	262,510	985,998	\$ 12,615	\$ 106,332	72,283	857,126	\$ 1,331	1,976,937	\$ 36,148
Committed									
Assigned									
Unassigned									
Total Fund Balances	262,510	985,998	12,615	106,332	72,283	857,126	1,331	1,976,937	36,148
TOTAL LIABILITIES AND FUND BALANCES	\$ 264,405	\$ 993,943	\$ 12,615	\$ 106,332	\$ 72,494	\$ 860,554	\$ 1,331	\$ 1,996,738	\$ 36,148

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

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	\$ 94,472	\$ 1,783	\$ 1,118	\$ 36,333	\$ 1,365	\$ 2,650,933	\$ 123,760	\$ 39,447	\$ 100,441
Accounts receivable	66			24,663	1,054	26,407	2,248	1,881	888
TOTAL ASSETS	\$ 94,538	\$ 1,783	\$ 1,118	\$ 60,996	\$ 2,419	\$ 2,677,340	\$ 126,008	\$ 41,328	\$ 101,329
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable						\$ 12,229	\$ 1,476		
Settlements pending									
Total Liabilities						12,229	1,476		
Fund Balances:									
Restricted	\$ 94,538	\$ 1,783	\$ 1,118	\$ 60,996	\$ 2,419	2,649,470	124,532	\$ 41,328	\$ 101,329
Committed									
Assigned						15,641			
Unassigned									
Total Fund Balances	94,538	1,783	1,118	60,996	2,419	2,665,111	124,532	41,328	101,329
TOTAL LIABILITIES AND FUND BALANCES	\$ 94,538	\$ 1,783	\$ 1,118	\$ 60,996	\$ 2,419	\$ 2,677,340	\$ 126,008	\$ 41,328	\$ 101,329

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

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
ASSETS								
Cash and cash equivalents	\$ 126,236	\$ 55,913	\$ 11,057	\$ 21,248	\$ 757	\$ 5	\$ 19,322	\$ 41,693
Accounts receivable	3,636	1,006	38	2,607			129	76
TOTAL ASSETS	<u>\$ 129,872</u>	<u>\$ 56,919</u>	<u>\$ 11,095</u>	<u>\$ 23,855</u>	<u>\$ 757</u>	<u>\$ 5</u>	<u>\$ 19,451</u>	<u>\$ 41,769</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 1,730			\$ 291				
Settlements pending								
Total Liabilities	<u>1,730</u>			<u>291</u>				
Fund Balances:								
Restricted	128,142	\$ 56,919	\$ 11,095	23,564	\$ 757	\$ 5	\$ 19,451	\$ 41,769
Committed								
Assigned								
Unassigned								
Total Fund Balances	<u>128,142</u>	<u>56,919</u>	<u>11,095</u>	<u>23,564</u>	<u>757</u>	<u>5</u>	<u>19,451</u>	<u>41,769</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 129,872</u>	<u>\$ 56,919</u>	<u>\$ 11,095</u>	<u>\$ 23,855</u>	<u>\$ 757</u>	<u>\$ 5</u>	<u>\$ 19,451</u>	<u>\$ 41,769</u>

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

SPECIAL REVENUE FUNDS

	Drug Control Fund- Prosecuting Attorney	American Rescue Plan Act	Emergency Squad	Museum	Road Sales Tax	Animal Control	Federal Drug Forfeiture	Criminal Justice Sales Tax
ASSETS								
Cash and cash equivalents	\$ 85,092	\$ 23,343,768	\$ 483,883	\$ 36,950	\$ 3,671,479	\$ 1,482,407	\$ 4,051	\$ 2,574,633
Accounts receivable	12	388	4,384	3,250	92,318	6,130		95,661
TOTAL ASSETS	\$ 85,104	\$ 23,344,156	\$ 488,267	\$ 40,200	\$ 3,763,797	\$ 1,488,537	\$ 4,051	\$ 2,670,294
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 3,000	\$ 120,700	\$ 355	\$ 565	\$ 663,466	\$ 1,900		\$ 88,415
Settlements pending								
Total Liabilities	3,000	120,700	355	565	663,466	1,900		88,415
Fund Balances:								
Restricted	82,104	23,223,456	487,912				\$ 4,051	
Committed				39,635	3,100,331	1,486,637		2,581,879
Assigned								
Unassigned								
Total Fund Balances	82,104	23,223,456	487,912	39,635	3,100,331	1,486,637	4,051	2,581,879
TOTAL LIABILITIES AND FUND BALANCES	\$ 85,104	\$ 23,344,156	\$ 488,267	\$ 40,200	\$ 3,763,797	\$ 1,488,537	\$ 4,051	\$ 2,670,294

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS							
	Teen Court	Juvenile Court Grant	Soil Conservation	Extension Office	Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	State Homeland Security Grant Program - Federal	Juvenile Court Programs Grant	Juvenile Court Grants
ASSETS								
Cash and cash equivalents	\$ 13,998	\$ 2,961	\$ 128,972	\$ 87,556	\$ 188	\$ 18,917	\$ 873	\$ 45,834
Accounts receivable	7		3,249	3,229		2,954		
TOTAL ASSETS	\$ 14,005	\$ 2,961	\$ 132,221	\$ 90,785	\$ 188	\$ 21,871	\$ 873	\$ 45,834
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 12,537	\$ 3,071		\$ 16,945		\$ 288
Settlements pending								
Total Liabilities			12,537	3,071		16,945		288
Fund Balances:								
Restricted	\$ 14,005	\$ 2,961	119,684	87,714	\$ 188	4,926	\$ 873	45,546
Committed								
Assigned								
Unassigned								
Total Fund Balances	14,005	2,961	119,684	87,714	188	4,926	873	45,546
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,005	\$ 2,961	\$ 132,221	\$ 90,785	\$ 188	\$ 21,871	\$ 873	\$ 45,834

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

SPECIAL REVENUE FUNDS

	Juvenile Delinquency Pass Through Grant	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
ASSETS								
Cash and cash equivalents	\$ 580	\$ 7,803	\$ 191	\$ 414	\$ 40	\$ 10,636	\$ (970)	\$ 2
Accounts receivable								
TOTAL ASSETS	\$ 580	\$ 7,803	\$ 191	\$ 414	\$ 40	\$ 10,636	\$ (970)	\$ 2
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 580	\$ 7,803	\$ 191	\$ 414	\$ 40	\$ 10,636		\$ 2
Committed								
Assigned								
Unassigned							\$ (970)	
Total Fund Balances	580	7,803	191	414	40	10,636	(970)	2
TOTAL LIABILITIES AND FUND BALANCES	\$ 580	\$ 7,803	\$ 191	\$ 414	\$ 40	\$ 10,636	\$ (970)	\$ 2

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

SPECIAL REVENUE FUNDS

	Juvenile Officer Grant	Elections Grant (Non Federal/State)	Non State/Non Federal Grant	Coronavirus Relief - Sheriff	Circuit Grant (Non Federal/State)	First Division Grant (Non Federal/State)	Communication Facility & Equipment	Mayflower Hwy 89 Water Ext
ASSETS								
Cash and cash equivalents	\$ 10,642	\$ 106	\$ 11	\$ 49	\$ 2	\$ 668	\$ 192,878	\$ 1,383
Accounts receivable								
TOTAL ASSETS	<u>\$ 10,642</u>	<u>\$ 106</u>	<u>\$ 11</u>	<u>\$ 49</u>	<u>\$ 2</u>	<u>\$ 668</u>	<u>\$ 192,878</u>	<u>\$ 1,383</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 2							
Settlements pending								
Total Liabilities	<u>2</u>							
Fund Balances:								
Restricted	10,640	\$ 106	\$ 11	\$ 49	\$ 2	\$ 668	\$ 192,878	\$ 1,383
Committed								
Assigned								
Unassigned								
Total Fund Balances	<u>10,640</u>	<u>106</u>	<u>11</u>	<u>49</u>	<u>2</u>	<u>668</u>	<u>192,878</u>	<u>1,383</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,642</u>	<u>\$ 106</u>	<u>\$ 11</u>	<u>\$ 49</u>	<u>\$ 2</u>	<u>\$ 668</u>	<u>\$ 192,878</u>	<u>\$ 1,383</u>

FAULKNER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

CUSTODIAL 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	\$ 4,771,710	\$ 655,102	\$ 712,787	\$ 150,807	\$ 655,587	\$ 10,746	\$ 46,534,233
Accounts receivable							575,227
TOTAL ASSETS	\$ 4,771,710	\$ 655,102	\$ 712,787	\$ 150,807	\$ 655,587	\$ 10,746	\$ 47,109,460
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 960,250
Settlements pending	\$ 4,771,710	\$ 655,102	\$ 712,787	\$ 150,807	\$ 655,587	\$ 10,746	6,956,739
Total Liabilities	4,771,710	655,102	712,787	150,807	655,587	10,746	7,916,989
Fund Balances:							
Restricted							31,969,318
Committed							7,208,482
Assigned							15,641
Unassigned							(970)
Total Fund Balances							39,192,471
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,771,710	\$ 655,102	\$ 712,787	\$ 150,807	\$ 655,587	\$ 10,746	\$ 47,109,460

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, 2022

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	Reappraisal Cost
REVENUES									
State aid				\$ 40,713				\$ 196,882	\$ 435,463
Federal aid								1,280	
Property taxes								1,913,607	
Sales taxes									
Fines, forfeitures, and costs			\$ 8,168	1,098					
Interest	\$ 2,032	\$ 9,898	96		\$ 571	\$ 9,690	\$ 26	18,218	
Officers' fees					70,322	854,614	5,794		
911 fees									
Jail fees									
Treasurer's commission	75,000								
Collector's commission		250,000							
Taxes apportioned - Assessor's salary and expense									373,117
Other						649		54,917	
TOTAL REVENUES	77,032	259,898	8,264	41,811	70,893	864,953	5,820	2,184,904	808,580
Less: Treasurer's commission	12	61	53	258	411	5,506	36	12,606	
NET REVENUES	77,020	259,837	8,211	41,553	70,482	859,447	5,784	2,172,298	808,580
EXPENDITURES									
Current:									
General government	86,848	211,338		39,190	41,720	1,071,587			808,728
Law enforcement							6,200		
Highways and streets									
Public safety									
Sanitation									
Recreation and culture								2,454,405	
Social services									
TOTAL EXPENDITURES	86,848	211,338		39,190	41,720	1,071,587	6,200	2,454,405	808,728
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,828)	48,499	8,211	2,363	28,762	(212,140)	(416)	(282,107)	(148)
FUND BALANCES - JANUARY 1	272,338	937,499	4,404	103,969	43,521	1,069,266	1,747	2,259,044	36,296
FUND BALANCES - DECEMBER 31	<u>\$ 262,510</u>	<u>\$ 985,998</u>	<u>\$ 12,615</u>	<u>\$ 106,332</u>	<u>\$ 72,283</u>	<u>\$ 857,126</u>	<u>\$ 1,331</u>	<u>\$ 1,976,937</u>	<u>\$ 36,148</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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS								
	Child Support	Drug Control	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Emergency 911	Public Defender	Victim/Witness	Public Defender Investigator
REVENUES									
State aid							\$ 2,635		
Federal aid						\$ 15,641			
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 359,302			33,633	\$ 25,752	\$ 10,806
Interest	\$ 899	\$ 19	\$ 11	1,158	\$ 26	23,218	1,199	378	945
Officers' fees	3,817								
911 fees						987,674			
Jail fees					15,980				
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other				796		59,974			
TOTAL REVENUES	4,716	19	11	361,256	16,006	1,086,507	37,467	26,130	11,751
Less: Treasurer's commission	30			2,251	105	1,014	195	150	73
NET REVENUES	4,686	19	11	359,005	15,901	1,085,493	37,272	25,980	11,678
EXPENDITURES									
Current:									
General government	397								
Law enforcement		3,704		404,104	25,194		33,302	25,448	11,305
Highways and streets									
Public safety						530,509			
Sanitation									
Recreation and culture									
Social services									
TOTAL EXPENDITURES	397	3,704		404,104	25,194	530,509	33,302	25,448	11,305
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,289	(3,685)	11	(45,099)	(9,293)	554,984	3,970	532	373
FUND BALANCES - JANUARY 1	90,249	5,468	1,107	106,095	11,712	2,110,127	120,562	40,796	100,956
FUND BALANCES - DECEMBER 31	\$ 94,538	\$ 1,783	\$ 1,118	\$ 60,996	\$ 2,419	\$ 2,665,111	\$ 124,532	\$ 41,328	\$ 101,329

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, 2022

Schedule 2

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
REVENUES									
State aid									
Federal aid									
Property taxes								\$ 1,788	
Sales taxes									
Fines, forfeitures, and costs			\$ 297	\$ 1,828					
Interest	\$ 1,280	\$ 529	105	146	\$ 8		\$ 182	379	\$ 838
Officers' fees	43,134			34,005			922		
911 fees									
Jail fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense								3,327	
Other		3,687						1	
TOTAL REVENUES	44,414	4,216	402	35,979	8		1,104	5,495	838
Less: Treasurer's commission	275	20	3	224			6	34	5
NET REVENUES	44,139	4,196	399	35,755	8		1,098	5,461	833
EXPENDITURES									
Current:									
General government									
Law enforcement	64,941	248		17,010				1	17,259
Highways and streets									
Public safety									
Sanitation									
Recreation and culture									
Social services									
TOTAL EXPENDITURES	64,941	248		17,010				1	17,259
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,802)	3,948	399	18,745	8		1,098	5,460	(16,426)
FUND BALANCES - JANUARY 1	148,944	52,971	10,696	4,819	749	\$ 5	18,353	36,309	98,530
FUND BALANCES - DECEMBER 31	<u>\$ 128,142</u>	<u>\$ 56,919</u>	<u>\$ 11,095</u>	<u>\$ 23,564</u>	<u>\$ 757</u>	<u>\$ 5</u>	<u>\$ 19,451</u>	<u>\$ 41,769</u>	<u>\$ 82,104</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, 2022

Schedule 2

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
REVENUES									
State aid		\$ 8,282					\$ 43,060		
Federal aid	\$ 12,237,692					\$ 3,680			
Property taxes		77,628	\$ 58,720		\$ 106,373				
Sales taxes				\$ 6,640,944			6,640,944		
Fines, forfeitures, and costs					410			\$ 400	
Interest	181,314	4,393	329	35,836	13,832	32	21,045	141	\$ 27
Officers' fees									
911 fees									
Jail fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other		17	13		22		68,844	5,000	425
TOTAL REVENUES	12,419,006	90,320	59,062	6,676,780	120,637	3,712	6,773,893	5,541	452
Less: Treasurer's commission	173	538	349	41,217	716		41,126	3	
NET REVENUES	12,418,833	89,782	58,713	6,635,563	119,921	3,712	6,732,767	5,538	452
EXPENDITURES									
Current:									
General government	117,157								
Law enforcement	316,987				47,150	3,035	6,084,008	6,440	33
Highways and streets				7,105,983					
Public safety		35,992							
Sanitation	298,571								
Recreation and culture			81,850						
Social services									
TOTAL EXPENDITURES	732,715	35,992	81,850	7,105,983	47,150	3,035	6,084,008	6,440	33
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,686,118	53,790	(23,137)	(470,420)	72,771	677	648,759	(902)	419
FUND BALANCES - JANUARY 1	11,537,338	434,122	62,772	3,570,751	1,413,866	3,374	1,933,120	14,907	2,542
FUND BALANCES - DECEMBER 31	\$ 23,223,456	\$ 487,912	\$ 39,635	\$ 3,100,331	\$ 1,486,637	\$ 4,051	\$ 2,581,879	\$ 14,005	\$ 2,961

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, 2022

Schedule 2

	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
REVENUES									
State aid							\$ 56,091	\$ 20,783	
Federal aid			\$ 656,785		\$ 238,638		10,334		
Property taxes	\$ 58,500	\$ 58,236							
Sales taxes									
Fines, forfeitures, and costs									
Interest	1,177	760				\$ 8	379	183	\$ 6
Officers' fees									
911 fees									
Jail fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other	12	13	9,130						
TOTAL REVENUES	59,689	59,009	665,915		238,638	8	66,804	20,966	6
Less: Treasurer's commission	353	349							
NET REVENUES	59,336	58,660	665,915		238,638	8	66,804	20,966	6
EXPENDITURES									
Current:									
General government			827,169						
Law enforcement							21,455	63,512	
Highways and streets									
Public safety					235,684				
Sanitation									
Recreation and culture									
Social services	48,996	61,981							
TOTAL EXPENDITURES	48,996	61,981	827,169		235,684		21,455	63,512	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,340	(3,321)	(161,254)		2,954	8	45,349	(42,546)	6
FUND BALANCES - JANUARY 1	109,344	91,035	161,254	\$ 188	1,972	865	197	42,546	574
FUND BALANCES - DECEMBER 31	\$ 119,684	\$ 87,714	\$ 0	\$ 188	\$ 4,926	\$ 873	\$ 45,546	\$ 0	\$ 580

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, 2022

Schedule 2

	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)
REVENUES									
State aid								\$ 10,650	
Federal aid				\$ 24,756					
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 75	\$ 2			\$ 102	\$ 11		127	\$ 1
Officers' fees									
911 fees									
Jail fees									
Treasurer's commission									
Collector's commission									
Taxes apportioned - Assessor's salary and expense									
Other									
TOTAL REVENUES	75	2		24,756	102	11		10,777	1
Less: Treasurer's commission									
NET REVENUES	75	2		24,756	102	11		10,777	1
EXPENDITURES									
Current:									
General government									
Law enforcement					242	3,928		11,167	
Highways and streets									
Public safety				24,756					
Sanitation									
Recreation and culture									
Social services									
TOTAL EXPENDITURES				24,756	242	3,928		11,167	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75	2			(140)	(3,917)		(390)	1
FUND BALANCES - JANUARY 1	7,728	189	\$ 414	40	10,776	2,947	\$ 2	11,030	105
FUND BALANCES - DECEMBER 31	<u>\$ 7,803</u>	<u>\$ 191</u>	<u>\$ 414</u>	<u>\$ 40</u>	<u>\$ 10,636</u>	<u>\$ (970)</u>	<u>\$ 2</u>	<u>\$ 10,640</u>	<u>\$ 106</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, 2022

Schedule 2

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	Totals
REVENUES									
State aid						\$ 88,108			\$ 902,667
Federal aid		\$ 179,000							13,367,806
Property taxes									2,274,852
Sales taxes									13,281,888
Fines, forfeitures, and costs									441,694
Interest		1,050			\$ 6		\$ 3,199		335,886
Officers' fees							374,222		1,386,830
911 fees									987,674
Jail fees									15,980
Treasurer's commission									75,000
Collector's commission									250,000
Taxes apportioned - Assessor's salary and expense									376,444
Other						13,772	2,853		220,125
TOTAL REVENUES		180,050			6	101,880	380,274		33,916,846
Less: Treasurer's commission									108,152
NET REVENUES		180,050			6	101,880	380,274		33,808,694
EXPENDITURES									
Current:									
General government									3,221,394
Law enforcement		202,357					505,267		7,857,037
Highways and streets									7,105,983
Public safety									826,941
Sanitation									298,571
Recreation and culture									2,536,255
Social services									110,977
TOTAL EXPENDITURES		202,357					505,267		21,957,158
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(22,307)			6	101,880	(124,993)		11,851,536
FUND BALANCES - JANUARY 1	\$ 11	22,307	\$ 49	\$ 2	662	(101,880)	317,871	\$ 1,383	27,340,935
FUND BALANCES - DECEMBER 31	<u>\$ 11</u>	<u>\$ 0</u>	<u>\$ 49</u>	<u>\$ 2</u>	<u>\$ 668</u>	<u>\$ 0</u>	<u>\$ 192,878</u>	<u>\$ 1,383</u>	<u>\$ 39,192,471</u>

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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.

FAULKNER COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

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

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

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

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Homeland Security Law Enforcement Terrorism Prevention Activities - Federal	Established to account for federal grant for Law Enforcement Terrorism Prevention Activities (LETPA) AL 97.067.
State Homeland Security Grant Program - Federal	Established to account for federal grant for Law Enforcement State Homeland Security Grant Program (SHSGP) AL 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 AL 16.540.
Juvenile Court Accountability Block Grant	Established to account for federal grant for Juvenile Accountability Grant (JAG) AL 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 AL 16.579.
Justice Assistance Grant (JAG) - Federal	Established to account for federal grant for Edward Byrne Memorial Assistance Grant AL 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.

FAULKNER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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 property taxes, treasurer's commission, 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, evidence, and inmate trust money.

County Clerk's accounts consist primarily of trust money and fee money to be settled with the treasurer.

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

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

FAULKNER COUNTY, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2022
 (Unaudited)

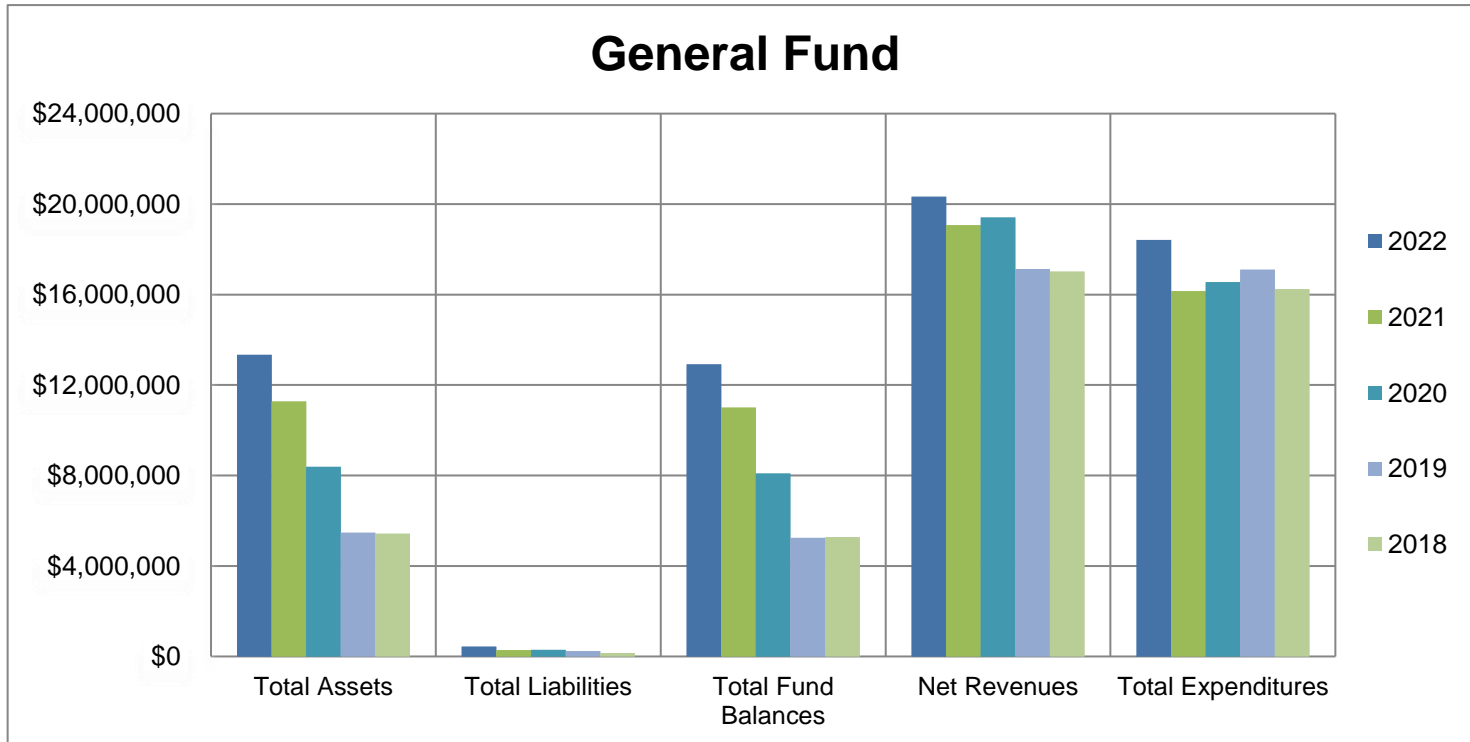
Schedule 3

	<u>December 31, 2022</u>
General Fixed Assets	
Land and Buildings	\$ 31,619,576
Equipment	<u>19,665,556</u>
Total	<u>51,285,132</u>
Fixed Assets - Library	
Land and Buildings	4,061,419
Equipment	<u>432,176</u>
Total	<u>4,493,595</u>
Fixed Assets - Museum	
Land and Buildings	105,000
Equipment	<u>5,798</u>
Total	<u>110,798</u>
Grand Total	<u><u>\$ 55,889,525</u></u>

FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-1

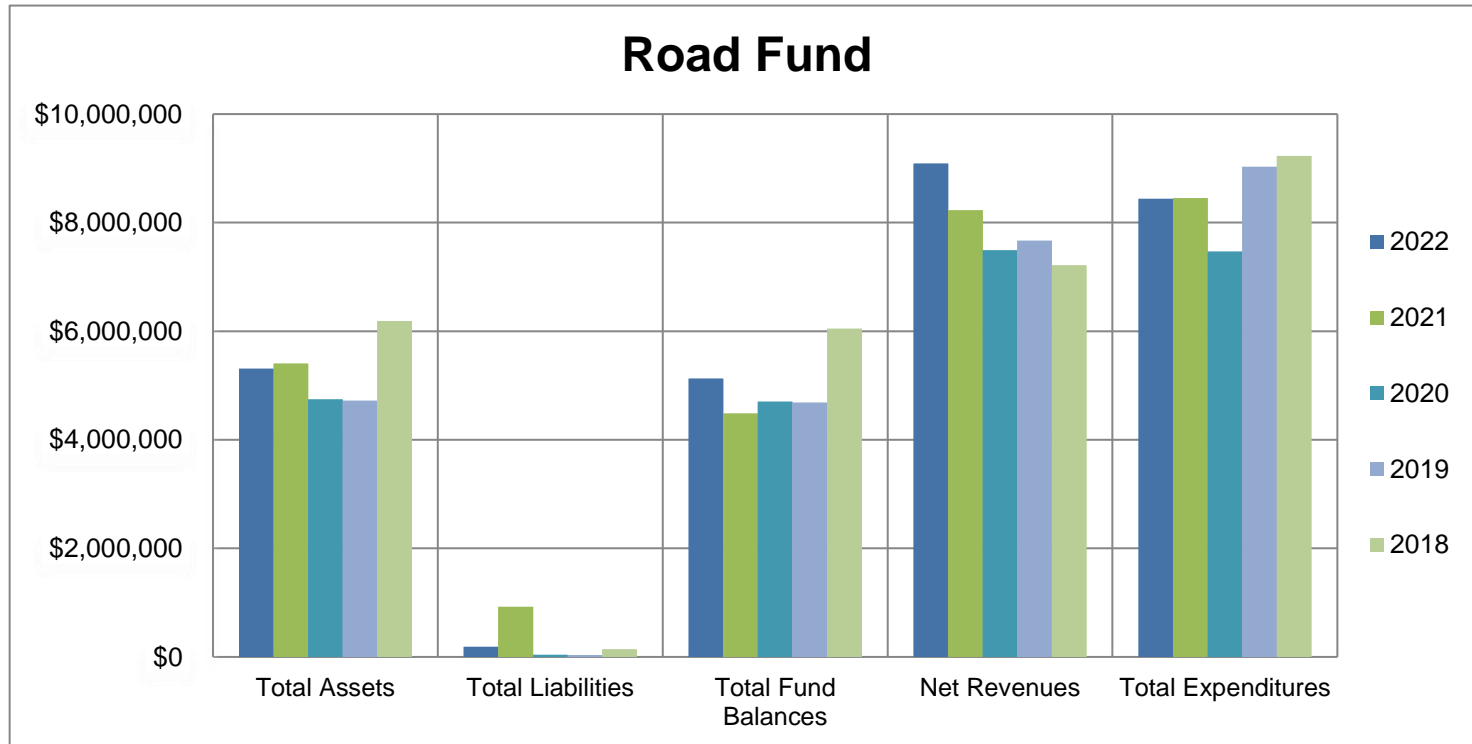
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 13,330,498	\$ 11,269,634	\$ 8,376,670	\$ 5,472,062	\$ 5,424,868
Total Liabilities	426,412	272,410	290,177	232,407	147,195
Total Fund Balances	12,904,086	10,997,224	8,086,493	5,239,655	5,277,673
Net Revenues	20,326,406	19,058,613	19,397,951	17,129,773	17,016,058
Total Expenditures	18,419,544	16,147,882	16,551,113	17,096,083	16,238,516
Total Other Financing Sources/Uses				(71,708)	



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-2

Road	2022	2021	2020	2019	2018
Total Assets	\$ 5,310,131	\$ 5,404,595	\$ 4,742,966	\$ 4,717,778	\$ 6,187,119
Total Liabilities	185,302	923,376	38,738	35,200	141,230
Total Fund Balances	5,124,829	4,481,219	4,704,228	4,682,578	6,045,889
Net Revenues	9,084,528	8,228,310	7,488,300	7,664,327	7,210,660
Total Expenditures	8,440,918	8,451,319	7,466,650	9,027,638	9,227,804



FAULKNER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2022	2021	2020	2019	2018
Total Assets	\$ 47,109,460	\$ 34,741,800	\$ 19,229,197	\$ 19,320,566	\$ 23,617,877
Total Liabilities	7,916,989	7,400,865	6,981,611	7,739,251	10,847,760
Total Fund Balances	39,192,471	27,340,935	12,247,586	11,581,315	12,770,117
Net Revenues	33,808,694	32,034,258	16,969,567	15,279,267	15,874,416
Total Expenditures	21,957,158	16,940,909	16,303,296	16,539,777	16,486,763
Total Other Financing Sources/Uses				71,708	

