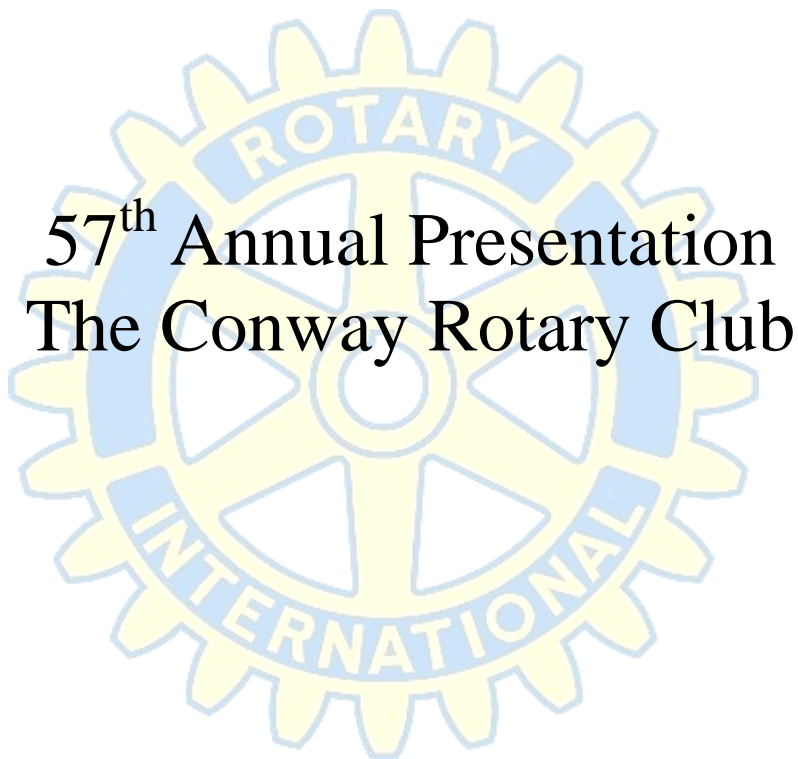


We have
GAS!

**The 2007 Faulkner County
Annual Economic Report**



**57th Annual Presentation
The Conway Rotary Club**

**2007 Economic Report
& 2008 Forecast**

Information on
Faulkner County and Conway, Arkansas



***The Center
of Business
Learning***

Advisor:
Roger Lewis, Ph.D.
rogerlewis@conwaycorp.net
(501) 472-4621

Prepared by:
Emily Leathers
CBA Intern
UCA Business Administration Major
leathers08@gmail.com

Coordinator:
Amber Fason
Project Specialist, Office of Institutional Research
University of Central Arkansas
afason@uca.edu
(501) 450-3663

Pat Cantrell, Ph.D.
Dean of the College of Business Administration
University of Central Arkansas
patc@uca.edu

Supported by the Conway Rotary Club
Published by the College of Business Administration at UCA

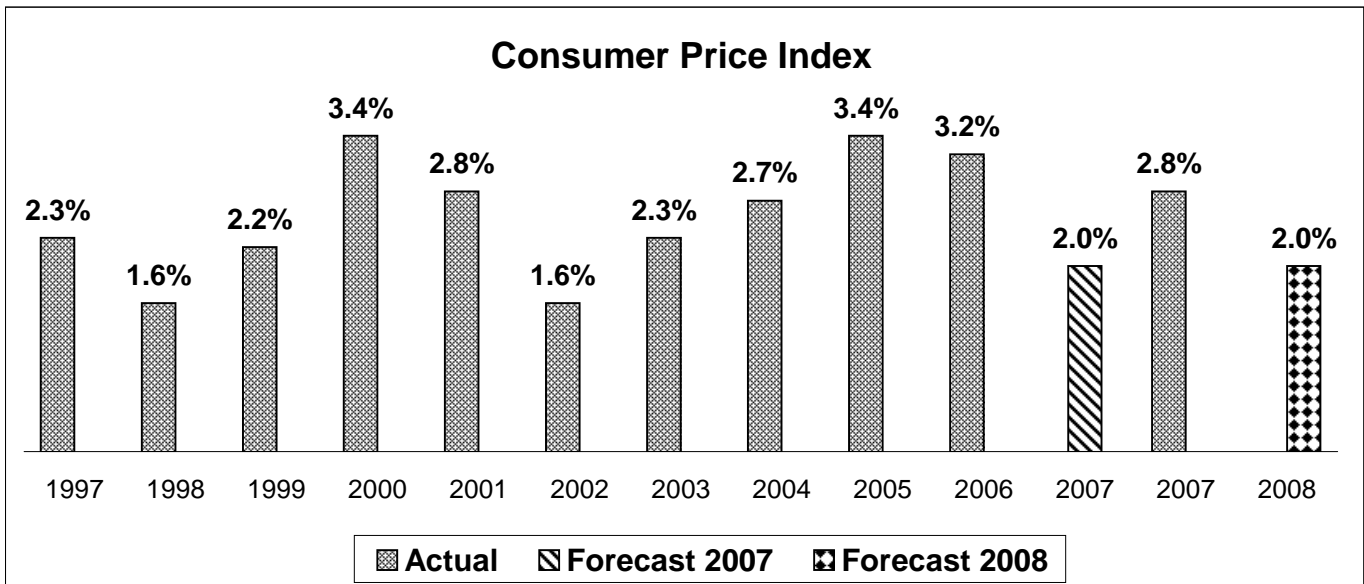
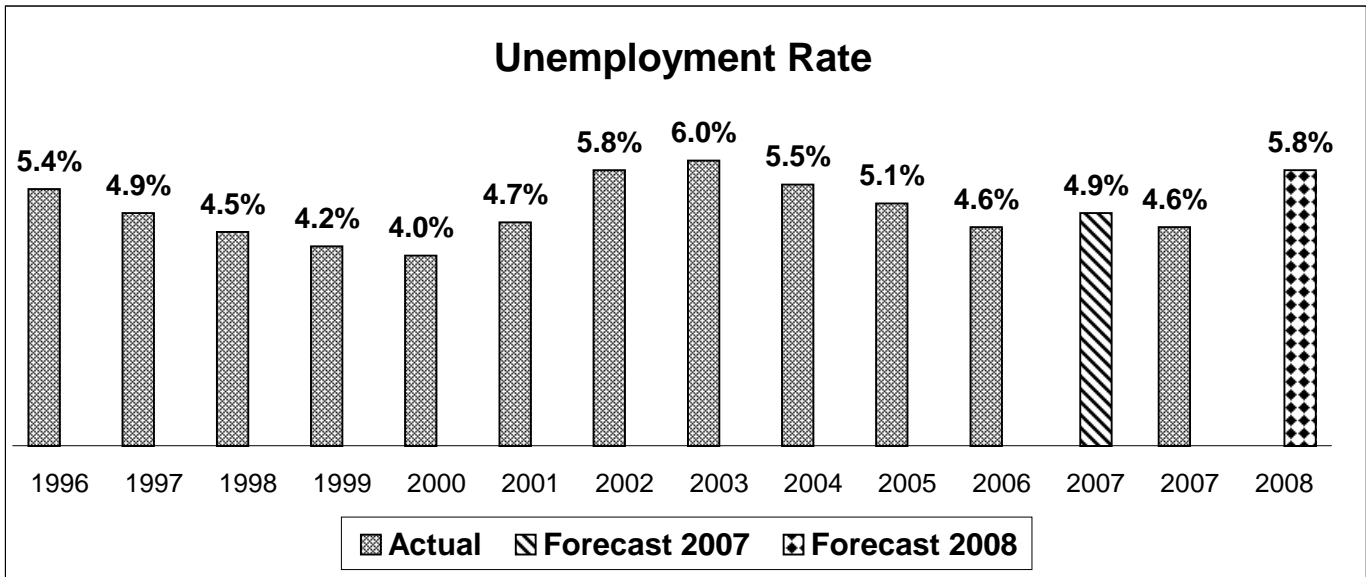
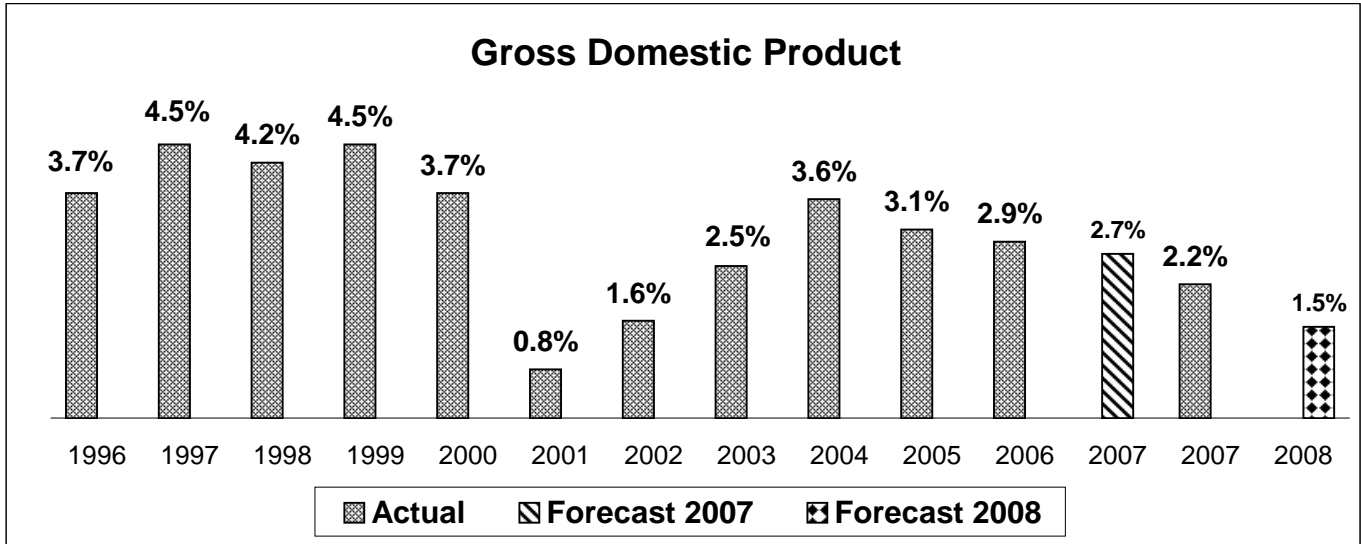
History of the Annual Economic Report of Faulkner County

This year marks the 57th presentation to the Conway Rotary Club of the Faulkner County Annual Economic Report. Thomas Wilson, CEO of First State Bank and Trust, made the first presentation in 1952 and continued it for 35 years until 1986. Dr. Morris Lamberson, Professor of Business at the University of Central Arkansas, continued the report for nine years. In 1995 Dr. Roger Lewis, then Director of Institutional Research at UCA, presented the report making this year his thirteenth. Dr. Lewis retired from UCA but has continued the report with the support of UCA's College of Business student interns to assist for last three years. The Faulkner County Annual Economic Report has become a featured program for the Conway Rotary Club and attracts many guests.

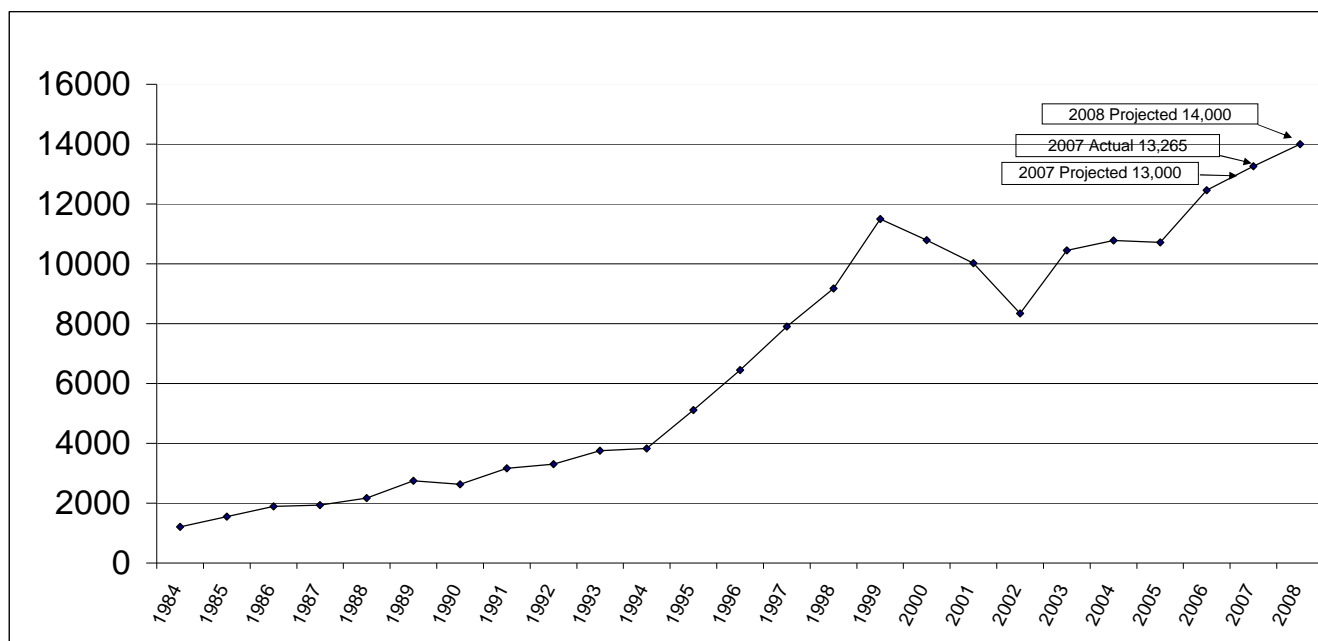
Table of Contents

National Economy	1
Dow Jones Average Year End Closings	2
Consumer Price Index by Component	2
US, Arkansas, and Faulkner County Unemployment Rate.....	3
National Employment by Sector	4
Building Permits Issued in Conway	5
Faulkner County Real Estate Sales.....	5
Value of Building Permits Issued	6
Population of Conway and Faulkner County	7
Faulkner County Birth and Deaths	7
Faulkner County and Conway Property Tax Assessments	8
Cost of Living Comparison of Conway to Selected Cities	9
FBI 206 Crime Statistics	10
Conway Corporation Revenues and Capital Expenditures	11
Faulkner County and Conway Sales Tax Collections	12
Conway Advertising & Promotion Tax Collections.....	13
Total Deposits in Faulkner County Banking Institutions	14
Total Deposits in Conway County Banking Institutions	14
Bank Earnings of Institutions Represented in Faulkner County	14
Deposits by Bank in Faulkner County and Market Share.....	15
Motor Vehicle Registration.....	16
Agricultural Production in Faulkner County.....	17
Production from the Fayetteville Shale Play.....	18
Impact of Tourism on Arkansas and Faulkner County.....	19
Employment and Earnings for Faulkner County.....	20

National Economy



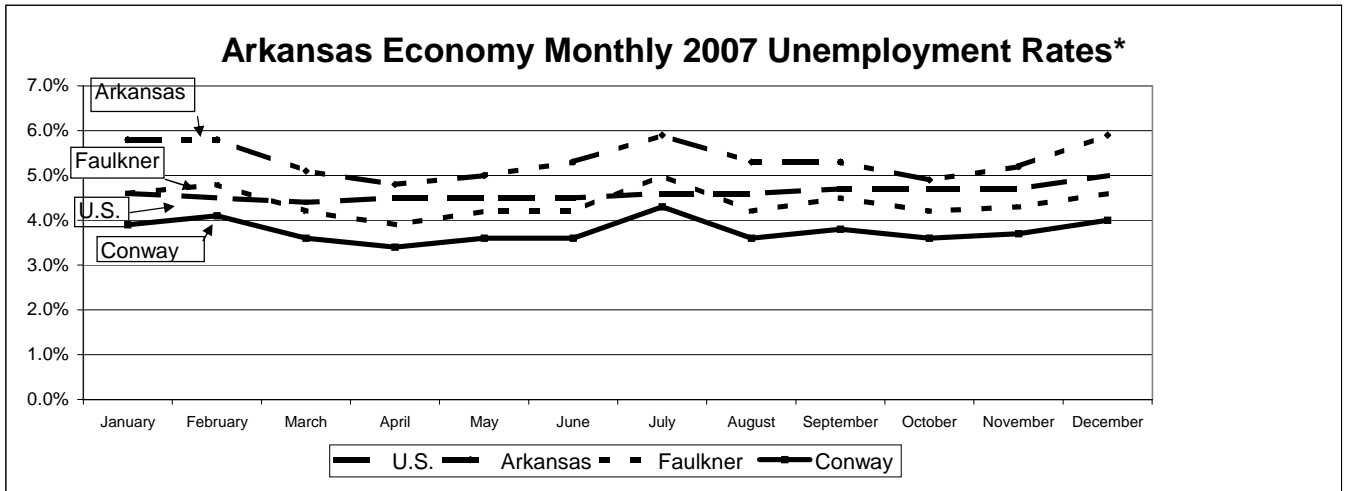
Dow Industrial Average Year End Closing



All Urban Consumers for 2005 - 2007 (Seasonally Adjusted)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Energy	17.0	11.2	5.5
Medical Care	4.2	4.0	4.4
Food	2.5	2.4	3.9
Other Goods & Services	2.9	2.6	3.6
Housing	3.3	3.8	3.1
Education & Communications	1.9	2.7	2.4
Transportation	6.6	4.0	2.1
Recreation	0.7	1.4	0.5
Apparel	-0.7	0.0	-0.4
All Items	3.4	2.5	2.8

Data: Bureau of Labor statistics (www.bls.gov)



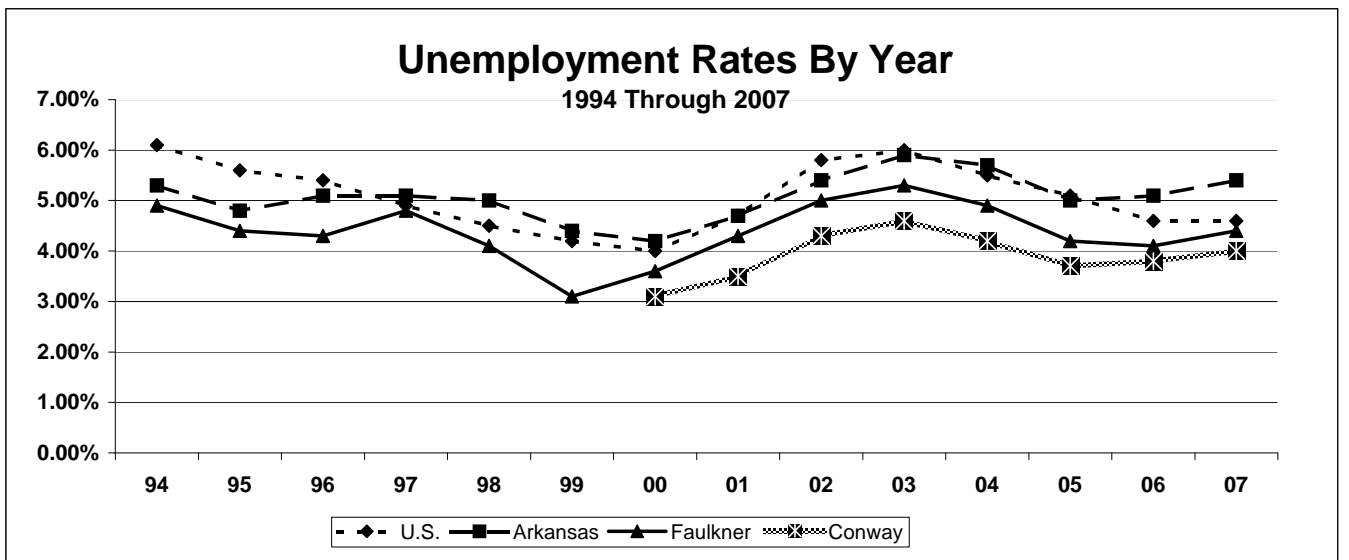
2007 Percent Unemployed By Month*

Month	U.S.	Arkansas	Faulkner	Conway
January	4.6	5.8	4.6	3.9
February	4.5	5.8	4.8	4.1
March	4.4	5.1	4.2	3.6
April	4.5	4.8	3.9	3.4
May	4.5	5.0	4.2	3.6
June	4.5	5.3	4.2	3.6
July	4.6	5.9	5.0	4.3
August	4.6	5.3	4.2	3.6
September	4.7	5.3	4.5	3.8
October	4.7	4.9	4.2	3.6
November	4.7	5.2	4.3	3.7
December	5.0	5.9	4.6	4.0
Average	4.6	5.4	4.4	3.8

Average Annual Unemployment Rate*

Year	U.S.	Arkansas	Faulkner	Conway
2007	4.6	5.4	4.4	4.0
2006	4.6	5.1	4.1	3.8
2005	5.1	5.0	4.2	3.7
2004	5.5	5.7	4.9	4.2
2003	6.0	5.9	5.3	4.6
2002	5.8	5.4	5.0	4.3
2001	4.7	4.7	4.3	3.5
2000	4.0	4.2	3.6	3.1
1999	4.2	4.4	3.1	
1998	4.5	5.0	4.1	
1997	4.9	5.1	4.8	
1996	5.4	5.1	4.3	
1995	5.6	4.8	4.4	

* Percentage of the work force unemployed, not seasonally adjusted for Avg Annual Rates, seasonally adjusted for Monthly Rates for US and Arkansas but not seasonally adjusted for Faulkner County and Conway City



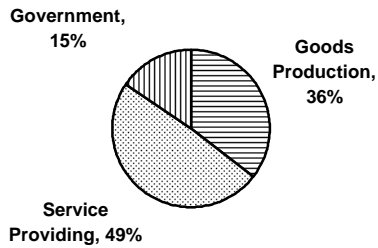
National Employment By Sector for Selected Years (Non-farm Employment)

	Total*	Goods Production		Service Providing		Government	
		Number	Percent	Number	Percent	Number	Percent
1958	51	18	36%	25	49%	8	15%
1979 **	90	25	28%	49	54%	16	18%
2007	138	22	16%	94	68%	22	16%

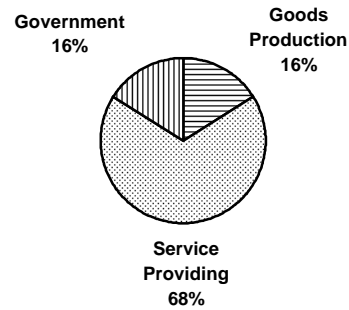
* In Millions of Employees

** The year that the goods production sector had the highest number of employees

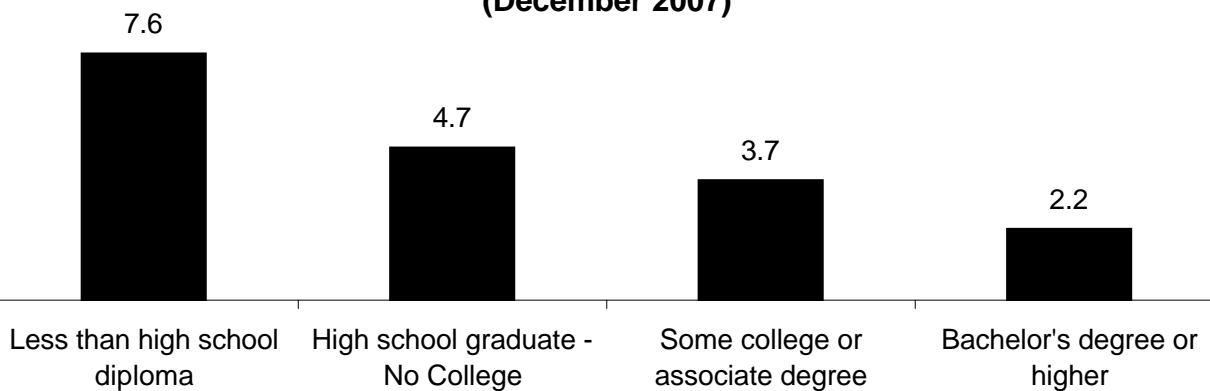
1958 Percent Employment by Sector



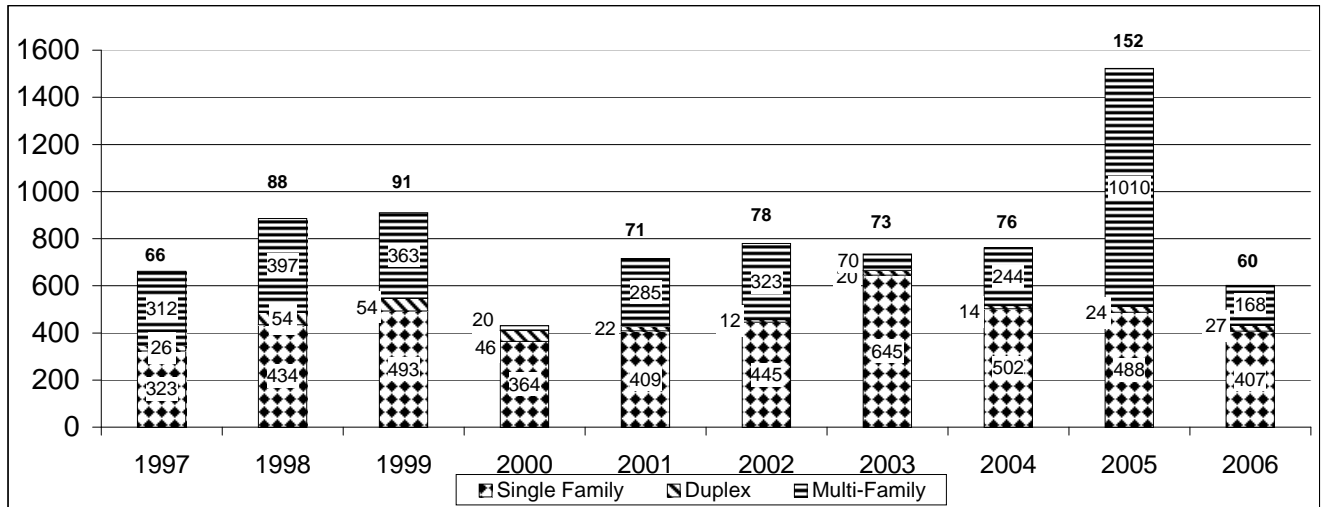
2007 Percent Employment by Sector



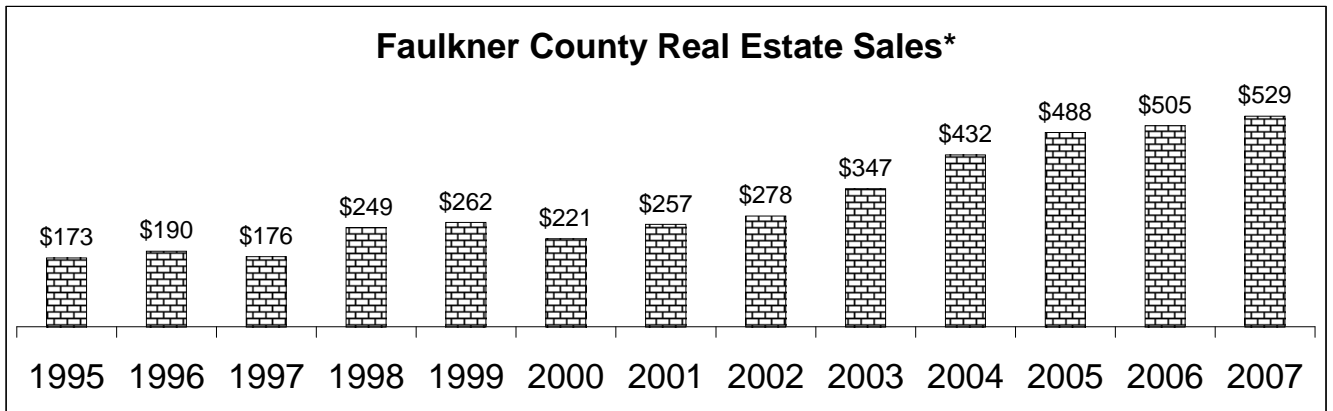
**National Unemployment Percent By Education Level
(December 2007)**



Family Units Constructed



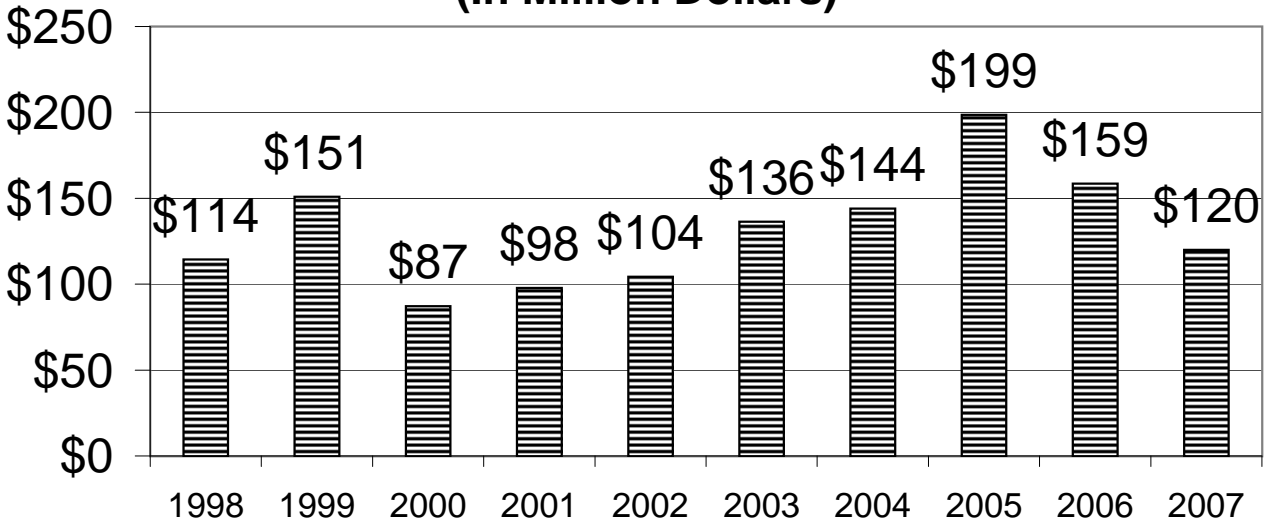
	1998	2000	2002	2004	2006	2007	Ten Year	
							Summary	Average
Single Family	434	364	445	502	407	314	4501	450
Duplex	54	46	12	14	27	90	363	36
Multi-Family	397	20	323	244	168	44	2924	292
Total Units	885	430	780	760	602	448	7788	779



1995	1996	1997	1998	1999	2000	2001
\$172,809,667	\$189,695,758	\$175,969,394	\$249,374,242	\$262,489,000	\$220,920,303	\$257,225,333
2002	2003	2004	2005	2006	2007	
\$278,059,667	\$346,937,333	\$431,611,485	\$488,112,667	\$504,828,788	\$529,141,484	

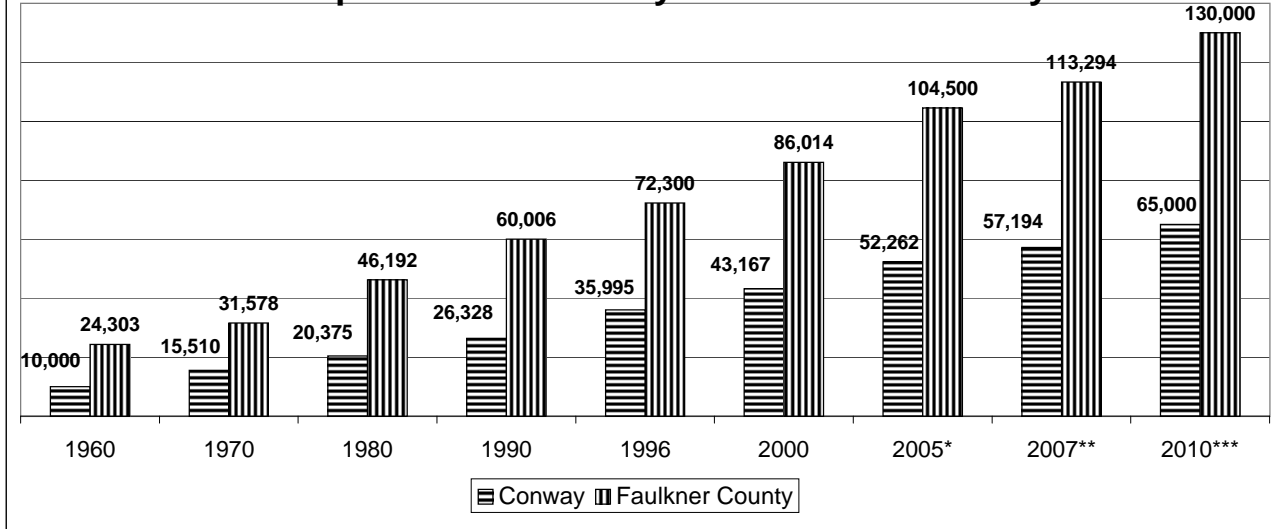
* Based on Revenue Tax Stamps Sold

Value of Building Permits (In Million Dollars)



Year	Residential	Institutional	Commercial	Industrial	Other	Total	% Increase From Previous Year
2007	--	--	--	--	--	\$119,924,087	-24.4
2006	--	--	--	--	--	158,592,893	-20.1
2005	--	--	--	--	--	198,545,106	40.5
2004	\$96,007,675	\$18,706,413	\$23,859,086	\$2,668,611	\$64,900	141,306,685	3.7
2003	95,455,494	10,504,659	29,326,351	928,000	112,780	136,327,284	30.8
2002	80,971,497	11,898,578	11,205,831	66,850	118,000	104,260,756	6.6
2001	72,470,919	10,700,955	14,046,546	262,758	290,930	97,772,108	12.3
2000	54,538,810	14,653,322	15,896,877	1,995,076	16,450	87,100,535	-42.3
1999	79,320,810	19,716,955	35,804,084	16,047,547	11,500	150,900,896	32.0
1998	69,864,986	16,488,126	19,490,470	8,514,222	0	114,357,804	
					Total	\$1,309,088,154	

Population of Conway and Faulkner County



	1960	1970	1980	1990	1996	2000	2005*	2007**	2010***
Conway	10,000	15,510	20,375	26,328	35,995	43,167	52,262	57,194	65,000
Faulkner County	24,303	31,578	46,192	60,006	72,300	86,014	104,500	113,294	130,000

*Conway is actual census population and Faulkner County's is estimated.

**Conway and Faulkner County's population for 2007 is estimated based on the number of Residents per Electric Meter

*** Conway's population estimate for the year 2010 is based upon the five-year increase from 2000 to 2005, and

Faulkner County historically has been approximately twice that of Conway.

Faulkner County Births and Deaths Per Year*

Year	Births	Deaths	Net Gain	Birth to Death Ratio	Arkansas Birth to Death Ratio
2007	1402**	685**	717**	2.0	1.5
2006	1531**	714**	807**	2.1	1.5
2005	1,398	717	736	2.1	1.4
2004	1,365	684	681	2.0	1.4
2003	1,314	685	629	1.9	1.3
2002	1,314	668	646	2.0	1.3
2001	1,202	616	586	2.0	1.3
2000	1,277	568	709	2.2	1.3
1999	1,178	567	611	2.1	1.3
1998	1,160	560	600	2.1	1.3
Ten Year Summary	10,208	5,065	5,198	2.0	

* Birth and death figures are derived from birth and death certificates place of residents, not from where the birth or death took place.

** Provisional Data

Faulkner County Property Tax Assessment Values

Year	Real Estate			All Property		
	Amount	Percent Increase		Amount	Percent Increase	
		Yearly	Since '93		Yearly	Since '93
2007	\$942,323,170	6.2	252.3	\$1,270,014,869	6.5	247.6
2006	886,944,588	4.8	231.6	1,192,653,818	6.1	226.4
2005	846,297,798	19.1	216.4	1,124,527,737	15.7	207.8
2004	710,560,552	5.2	165.7	971,982,764	4.3	166.0
2003	675,298,520	3.9	152.5	932,149,233	4.7	155.1
2002	649,886,552	17.9	143.0	890,195,263	13.3	143.7
2001	551,114,752	6.4	106.1	785,985,145	6.9	115.1
2000	518,098,162	7.1	93.7	735,058,219	7.9	101.2
1999	483,595,772	27.6	80.8	681,056,685	23.3	86.4
1998	379,129,163	3.7	41.7	552,296,656	2.8	51.2
1997	365,748,470	1.1**	36.7	537,089,567	3.6**	47.0
1996	361,653,000	17.6**	35.2	518,255,000	17.4**	41.9
1995	307,600,000	6.4	15.0	441,399,700	7.3	20.8
1994	289,063,000	8.1	8.1	411,318,000	12.6	12.6
1993	267,466,000	9.4	0.0	365,343,968	5.7	0.0

Taxable Values***

Year	% of		% of	
	Real Estate	Assessment	All Property	Assessment
2007	\$887,494,466	94.2	\$1,215,186,165	95.7
2006	813,379,488	91.7	1,119,088,679	93.8
2005	747,131,613	88.3	1,025,527,737	91.2
2004	676,322,245	95.2	937,744,459	96.5

Tax Assessment Values in Conway City Limits

	Taxable Values***				Taxable Values***			
	Real Estate	Percent of Faulkner County	All Property	Percent of Faulkner County	Real Estate	Percent of Faulkner County	All Property	Percent of Faulkner County
2007	\$575,825,254	61.1	\$773,851,531	60.9	\$543,879,140	61.3	\$741,905,417	61.1
2006	545,319,718	61.5	729,840,566	61.2	500,645,573	61.6	685,094,421	61.2
2005	521,920,108	61.7	694,662,700	61.8	459,555,808	61.5	632,298,400	61.7
2004	428,954,170	60.4	593,486,602	61.1	413,156,285	61.1	577,688,717	61.6

*Includes Real Estate, Personal Property, Mineral Rights Utilities and Carriers

**Approximately 60% of the increase in 1996 is from reassessment and then in 1997 the reassessment was rolled back to previous levels.

***Act 79 provides \$350 Homestead Exemption and freezes assessments for homeowners 65 years of age

Data Source: Faulkner County Assessors Office

Cost of Living Comparison of Conway, Arkansas to the National Average and to Selected Cities¹ Third-Quarter of 2007

	Percent of National Average								Average Rent	Average Home
	Total	% Difference from Conway**	Groceries	Housing	Utilities	Transportation	Health	Misc.		
Conway, AR	89.4		94.4	78.7	98.2	88.3	86.9	94.2	\$576	\$246,878
Fayetteville, AR	90.5	1.2%	91.1	78.7	106.3	94.7	92.8	93.8	578	247,786
Fort Smith, AR	88.0	-1.6%	91.3	71.5	96.9	89.3	97.3	96.0	550	221,997
Hot Springs, AR	86.8	-2.9%	95.4	75.7	99.7	87.8	82.8	88.9	551	238,566
Little Rock-N. Little Rock, AR	94.7	5.9%	100.7	79.4	107.9	96.5	94.1	100.3	695	240,250
Jonesboro, AR	85.8	-4.0%	89.7	70.7	95.1	89.7	85.1	92.6	541	219,529
Bowling Green, KY	93.9	5.0%	100.0	82.3	95.3	96.2	96.0	99.5	622	254,142
Johnson City, TN	87.9	-1.7%	92.1	76.5	95.1	87.1	88.2	93.7	607	234,269
Hattiesburg, MS	92.2	3.1%	96.1	86.6	90.0	96.2	90.7	94.9	694	267,536
Lake Charles, LA	93.9	5.0%	97.1	90.4	91.1	97.4	90.0	95.7	732	227,250
Flagstaff, AZ	115.0	28.6%	105.3	148.7	102.0	105.0	103.5	99.6	915	483,141
Tyler, TX	92.0	2.9%	90.9	84.0	95.1	93.3	96.7	97.2	866	237,946
Jefferson City, MO	90.3	1.0%	89.0	75.0	101.8	99.2	94.0	96.7	542	231,168
Tampa, FL	99.0	10.7%	98.7	99.0	97.6	102.3	93.7	99.2	854	299,853
Dallas, TX	92.8	3.8%	98.2	75.7	103.9	103.5	100.0	97.3	731	220,632
Boston, MA	135.8	51.9%	119.9	168.7	124.5	107.1	132.2	127.3	1,405	508,638
National Average	100.0	11.9%	100.0	100.0	100.0	100.0	100.0	100.0	\$777	\$307,241

1. The national average cost for each index area is set at "100," and the indices for each place are then calculated based upon their relation to that average. In addition, the total cost of living index does not include taxes.

2. Average Rent- two bedrooms, unfurnished, excluding all utilities except water, 1 1/2 or 2 baths, 950 sq ft.

3. Average Home Price- 2,400 sq ft. living area, new house, 8,000 sq ft. lot, 4 bedrooms, 2 baths

**The difference is calculated by subtracting Conway's total percentage from one of the other cities total percentage, then dividing that number by Conway's total percentage, and finally multiplying by 100.

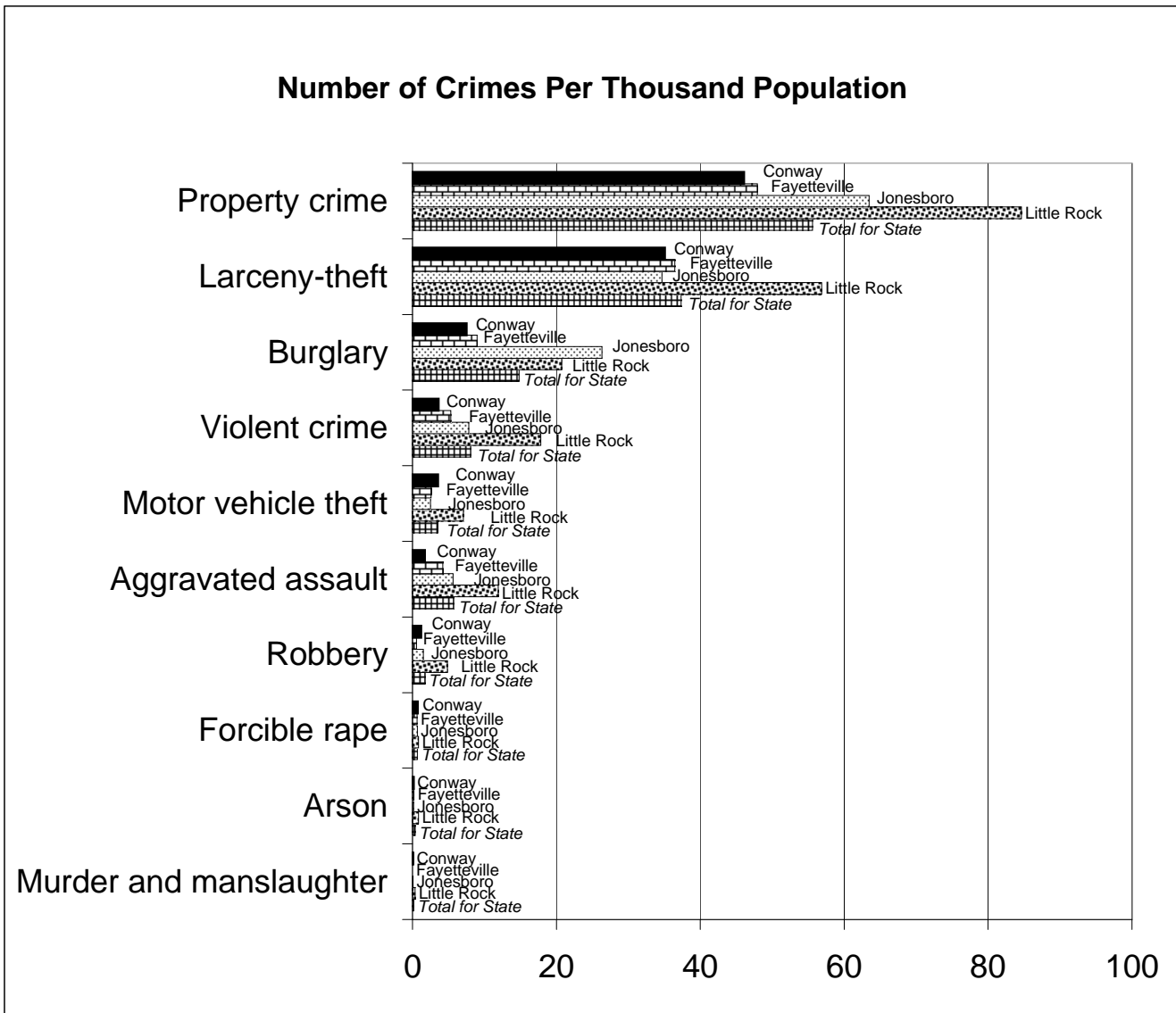
Data Source: ACCRA- A nonprofit research organization, Arlington Virginia

FBI 2006 Crime Statistics

City	Population	Violent crime	Murder and nonnegligent manslaughter	Forcible rape	Robbery	Aggravated assault	Property crime	Burglary	Larceny-theft	Motor vehicle theft	Arson
Conway	52,592	187	3	35	61	88	2,420	393	1,843	184	6
	<i>Crimes Per Thousand</i>	3.6	0.1	0.7	1.2	1.7	46.0	7.5	35.0	3.5	0.1
Fayetteville	67,416	357	0	41	35	281	3,229	602	2,455	172	11
	<i>Crimes Per Thousand</i>	5.3	0.0	0.6	0.5	4.2	47.9	8.9	36.4	2.6	0.2
Jonesboro	60,035	467	3	39	88	337	3,807	1,579	2,080	148	7
	<i>Crimes Per Thousand</i>	7.8	0.0	0.6	1.5	5.6	63.4	26.3	34.6	2.5	0.1
Little Rock	186,670	3,324	58	151	899	2,216	15,789	3,866	10,611	1,312	145
	<i>Crimes Per Thousand</i>	17.8	0.3	0.8	4.8	11.9	84.6	20.7	56.8	7.0	0.8
Total for State ¹	1,539,124	12,373	161	962	2,547	8,703	85,540	22,738	57,425	5,377	514
	<i>Crimes Per Thousand</i>	8.0	0.1	0.6	1.7	5.7	55.6	14.8	37.3	3.5	0.3

¹ Total for Incorporated Cities

Number of Crimes Per Thousand Population



Utilities
Conway Corporation
Revenues, Capital Expenditures and Number of Customers

Year	All Departments		Residential		Total		Population Estimate
	Revenue*	Capital Expenditures*	Electric Customers		Electric Customers		
			Number	% Increase	Number	% Increase	
2008 **	\$88.3	9.4	24,195	4.9	26,936	4.2	60,004
2007	84.4	9.6	23,062	3.3	25,857	3.0	57,194
2006	81.1	7.9	22,316	5.8	25,106	5.5	55,344
2005	70.9	9.0	21,102	3.4	23,795	3.2	52,262
2004	60.0	12.5	20,399	2.7	23,051	3.1	
2003	54.8	11.7	19,863	4.7	22,363	4.3	
2002	56.9	7.1	18,974	2.7	21,445	2.6	
2001	55.7	10.7	18,479	1.8	20,893	1.8	
2000	53.4	7.5	18,160	5.5	20,525	5.4	
1999	47.8	10.2	17,206	4.8	19,480	6.2	
1998	46.2	5.8	16,411	7.0	18,349	5.9	

* In million dollars

** Actual for 1995 through 2007, and budgeted for 2008

According to the 2005 census, Conway's population was 52,262 and there were 21,102 residential electric meters or 2.48 residents per meter.

Faulkner County Population Estimate
Based on the Number of Residential Meters

Year	Conway Corp. Number of Meters	Residents Per Meter	Est. Conway Population	Entergy Number of Meters	Residents Per Meter	Est. Population Outside Conway*	Est. County Population
2007	23,062	2.48	57,194	20,400	2.75	56,100	113,294
2006	22,316	2.48	55,344	20,003	2.75	55,008	110,352

* The number of residents per residential meter has not been established for Entergy within Faulkner County; because of fewer multifamily units outside of Conway which tend to have less residents per unit, the number of residents per meter in Faulkner County outside the city of Conway is estimated to be 2.75 compared to 2.48 for Conway.

Faulkner County and Conway Sales Tax Collections

Faulkner County 1/2% Sales Tax

	2004	2005	2006	2007
January	\$493,631	\$537,698	\$575,920	\$633,092
February	389,646	430,408	472,034	535,132
March	411,682	431,360	470,571	515,483
April	436,842	470,216	527,732	573,165
May	393,984	463,224	537,747	525,829
June	409,284	463,664	528,390	545,122
July	445,436	518,109	534,500	563,540
August	439,910	503,187	517,067	551,729
September	457,070	492,416	566,133	590,519
October	445,108	515,587	552,355	566,553
November	436,395	478,047	540,945	544,912
December	424,744	493,440	514,677	538,812
Total	\$5,183,732	\$5,797,355	\$6,432,223	\$6,683,888
Increase Over Previous Year		\$613,623	\$634,868	\$251,665

Faulkner County Estimated Sales Receipts

\$1,038,640,148 \$1,161,468,922 \$1,288,752,262 \$1,361,107,800

Conway 1% Sales Tax

	2004	2005	2006	2007
January	\$851,269	\$921,656	\$1,009,968	1,079,977
February	659,800	716,038	792,081	892,291
March	674,041	723,210	788,099	842,381
April	713,285	789,696	897,684	951,352
May	658,319	786,840	896,010	847,645
June	691,983	780,727	882,567	911,304
July	733,234	884,396	893,689	926,473
August	738,804	847,881	857,592	900,000
September	767,880	932,034	935,980	977,025
October	751,279	868,901	920,335	937,764
November	740,283	807,455	881,552	898,050
December	721,352	829,466	868,117	897,284
Total	\$8,701,530	\$9,888,301	\$10,623,673	\$11,061,546
Increase Over Previous Year		\$1,186,771	\$735,372	\$437,873

Conway Net Sales Tax Collections*

	Sales Tax Collections		Increase Over	Estimated
	@1%	@1/2%	Previous Yr. @ 1% Rate	Gross Sales **
2007	\$11,061,546	\$5,530,773	4.1	\$1,106,154,600
2006	10,623,673	5,311,837	7.4	1,062,367,300
2005	9,888,301	4,944,201	13.6	988,830,100
2004	8,701,530	3,990,089	10.6	870,153,003
2003	7,870,532	3,935,266	4.5	787,053,241
2002	7,528,607	3,764,304	-2.6	752,860,700
2001	7,731,695	3,865,848	7.7	773,169,500
2000	7,179,085	3,589,543	8.3	717,908,500
1999	6,630,448	3,315,192	6.7	663,044,800
1998	6,212,823	3,096,188	4.8	621,282,300
1997	5,928,576	2,944,183		592,857,600

* Revenues are the amount the city receives after the state deducts administrative expenses for collection.

** Estimated Gross Sales is understated in that local sales tax is capped at \$25 per 1% of sales tax for purchases over \$2500. The estimates are based on the gross sales collected by the state before the approximate 3% for collection cost is deducted.

Share of County 2007 Sales Tax With Municipalities*

Damascus	\$9,303
Enola	14,822
Holland	45,491
Mt. Vernon	11,353
Wooster	40,682
Total	\$121,651

*Municipalities that do not have a local sales tax share in Faulkner County's 1/2% tax and the amount reported above is in addition to that reported for Faulkner County

2007 Sales Taxes Collected by Other Faulkner County Municipalities

Greenbrier	2%	\$1,035,178
Vilonia	2%	454,369
Mayflower	1%	240,098
Guy	2%	60,903
Twin Groves	1%	7,600

Estimated Retail Sales for 2007

		% of Total
Conway	\$1,106,154,600	81.3%
Greenbrier	51,758,900	3.8%
Mayflower	24,009,800	1.8%
Vilonia	22,718,450	1.7%
Guy	3,045,150	0.2%
Twin Groves	760,000	0.1%
Non Local Tax Areas	152,660,900	11.2%
Faulkner County Total	\$1,361,107,800	100.0%

Conway Advertising and Promotion Tax Collections

	Motel 2% Tax Revenue				Prepared Food 2% Tax Revenue	
	2004	2005	2006	2007	2006	2007
January	\$10,847	\$11,673	\$12,689	\$20,152	\$166,729	\$172,936
February	10,451	10,968	12,691	22,892	161,858	185,023
March	11,632	12,462	14,309	24,416	157,781	197,110
April	14,732	16,135	21,304	26,485	163,750	197,089
May	12,648	16,688	18,382	24,699	174,284	193,641
June	18,480	18,145	18,070	30,266	166,212	197,366
July	18,866	20,588	26,749	22,276	196,544	183,987
August	16,736	18,743	21,005	22,311	191,476	204,535
September	14,809	16,850	21,801	26,597	181,758	186,792
October	15,399	17,139	21,475	27,067	175,253	195,202
November	15,006	15,794	20,691	19,775	188,775	189,407
December	13,538	15,209	22,624	24,480 *	189,678	199,162
Total	\$173,143	\$190,395	\$231,790	\$291,416	\$2,114,098	\$2,302,250
Increase Over Previous Year		\$17,251	\$41,395	\$59,626		\$188,152

*December 2007 estimated

	Estimated Annual Sales					
	Motel Receipts			Prepared Food Sales		
	2004	2005	2006	2007	2006	2007
	\$8,657,166	\$9,519,731	\$11,589,500	\$14,570,789	\$105,704,900	\$115,112,500
Increase Over Previous Year		\$862,565	\$2,069,770	\$2,981,289		\$9,407,600
Percent Increase		10.0%	21.7%	25.7%		8.9%

Top Ten Restaurants In Annual sales*

Chili's Bar & Grill
 Mike's Place
 Market Place
 McDonalds (Salem)
 Cracker Barrel
 Chick-Fil-A
 Outback Steakhouse
 Colton's Steak House
 McDonalds (Oak St.)
 Ryan's Steakhouse

* Account for 28% of all prepared food sales

* Based on Advertising and Promotion Tax Receipts on Prepared Foods

Top Three Hotels In Annual sales*

Holiday In Express
 Hampton Inn
 Comfort Suites

* Based on Advertising and Promotion Tax

Mixed Drink Sales *

	Tax Revenue	Sales
2007	\$168,138 **	\$1,681,380
2006	99,525	995,250
2003	74,445	744,450
2004	50,371	503,710
2003	53,396	533,960
2002	46,001	460,010

* State 10% tax on mixed drinks

** October & November revenue is estimated for 2007

**Number of Banking Institutions In Faulkner County
and Total Deposits 1997-2007
(Deposits in Thousand Dollars)**

	Number of Institutions	Number of Offices	Total Deposits	Amount of Increase	Percent Increase	Ten Year Increase (1997-2007)	
						Number	Percent
2007	15	57	\$1,351,954	\$28,365	2.1		
2006	15	52	1,323,589	77,686	6.2	Institutions	7
2005	14	48	1,245,903	139,228	12.6		
2004	14	48	1,106,675	33,748	3.1	Offices	36
2003	14	46	1,072,927	89,307	9.1		
2002	13	38	983,620	52,699	5.7	Deposits	\$696,919
2001	12	35	930,921	73,570	8.6		106.39
2000	13	37	857,351	78,639	10.1		
1999	11	29	778,712	69,173	9.7		
1998	9	22	709,539	54,504	8.3		
1997	8	21	655,035				

**Number of Banking Institutions In Conway County
and Total Deposits 2004-2007
(Deposits in Thousand Dollars)**

	Number of Institutions	Number of Offices	Total Deposits	Amount of Increase	Percent Increase	Three Year Increase (2005-2007)	
						Number	Percent
2007	7	11	\$287,131	\$21,451	8.1	Institutions	0
2006	7	11	265,680	20,612	8.4	Offices	1
2005	7	10	245,068	19,566	8.7	Deposits	\$61,629
2004	7	10	225,502				27.33

**Bank Earnings of Institutions
Represented in Faulkner County*
(Year to Date as of June 30)**

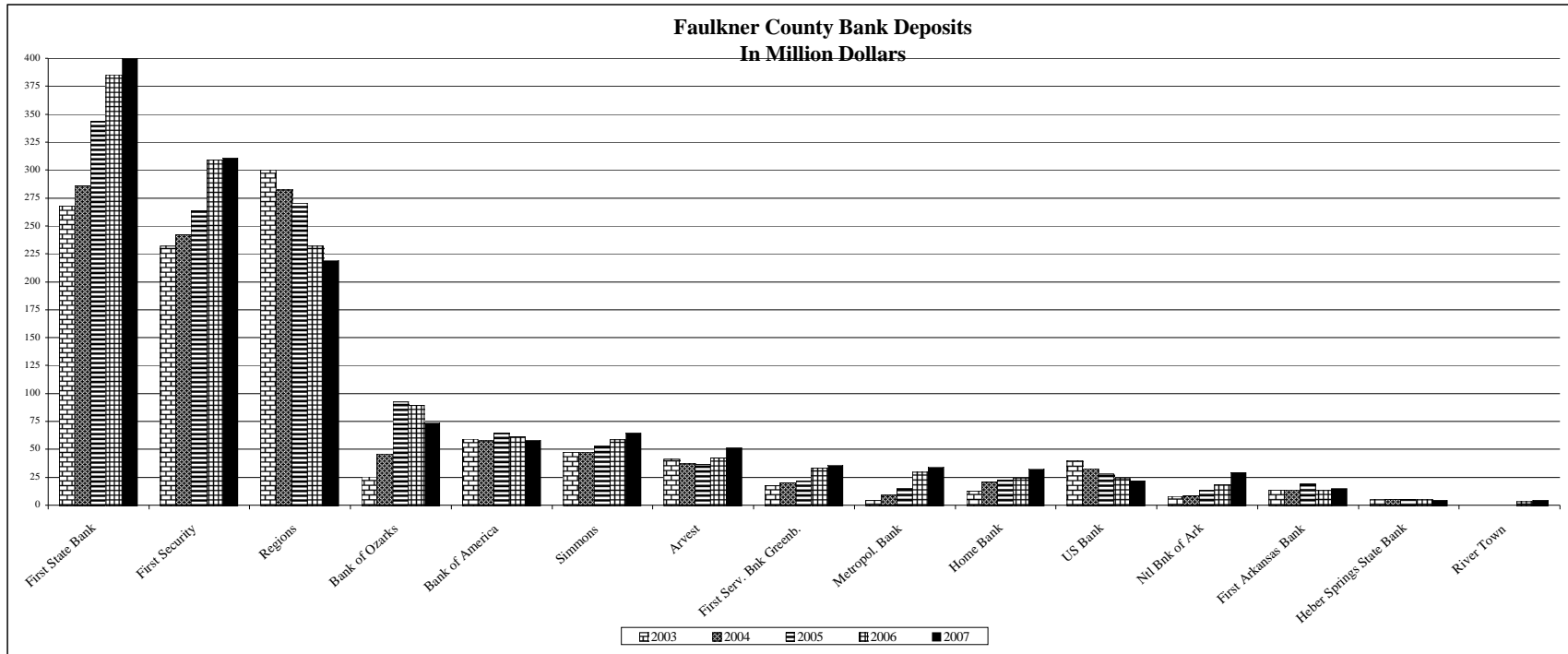
	% Return on Assets			% Return on Equity		
	2005	2006	2007**	2005	2006	2007
US Bank	2.09	2.10	1.95	21.4	21.6	20.8
First State Bank	1.23	1.29	1.40	9.9	15.8	16.8
Bank of the Ozarks	1.80	1.53	1.39	22.9	20.8	17.2
First Arkansas Bank	2.22	1.74	1.38	13.6	9.5	7.3
Bank of America	1.52	1.36	1.34	15.6	14.6	14.9
Simmons First National Bnk.	1.21	1.19	1.21	13.3	13.3	13.7
Regions Bank	1.24	1.54	1.09	10.3	11.3	6.9
Arvest Bank	1.13	1.17	1.09	11.6	13.2	12.5
First Security Bank	1.12	1.08	1.03	14.0	15.2	13.8
Heber Springs State Bank	0.97	0.83	1.03	10.4	9.8	12.6
Home Bank of Ark	0.41	0.41	0.88	4.6	3.7	8.6
River Town Bank	1.04	0.72	0.85	9.0	6.3	7.3
First Service Bank	1.21	0.58	0.80	15.2	7.6	10.2
National Bank of Arkansas	0.59	0.18	0.67	8.1	5.4	7.2
Metropolitan National Bank	0.91	0.73	0.65	13.4	10.5	8.8
Average***	1.25	1.10	1.12	12.9	11.9	11.9

* Earnings for each bank corporation, not limited to Faulkner County operation

** Ranked in descending order of 2007 return on assets.

*** Not a weighted average

Data Source: Federal Deposit Insurance Corporation



Faulkner County Market Share Deposits of all FDIC-Insured Institutions Operating in Faulkner County (dollars in thousands)

Name ¹	June 30, 2003			June 30, 2004			June 30, 2005			June 30, 2006			June 30, 2007		
	Number of Offices	Deposits	Market Share	Number of Offices	Deposits	Market Share	Number of Offices	Deposits	Market Share	Number of Offices	Deposits	Market Share	Number of Offices	Deposits	Market Share
1 First State Bank	9	\$267,710	25.0	10	\$285,716	25.8	10	\$343,401	27.6	11	\$385,131	29.1	12	\$400,063	29.59
2 First Security Bank	7	231,952	21.6	7	242,103	21.9	8	263,533	21.2	8	309,193	23.4	8	310,767	22.99
3 Regions Bank	5	300,150	28.0	5	282,536	25.5	5	270,603	21.7	5	231,897	17.5	5	219,268	16.22
4 Bank of the Ozarks	3	25,455	2.4	4	45,773	4.1	4	92,607	7.4	4	89,482	6.8	4	74,120	5.48
5 Bank of America	3	59,247	5.5	3	57,450	5.2	3	64,346	5.2	3	61,080	4.6	3	57,945	4.29
6 Simmons	2	47,682	4.4	2	49,669	4.5	2	52,570	4.2	3	58,857	4.4	3	64,604	4.78
7 Arvest Bank	3	41,011	3.8	3	37,246	3.4	3	36,591	2.9	3	42,423	3.2	3	51,257	3.79
8 First Service Bank of Greenbri	1	17,718	1.7	1	19,910	1.8	1	21,907	1.8	1	33,381	2.5	1	36,051	2.67
9 Metropolitan	3	4,135	0.4	3	8,940	0.8	2	14,633	1.2	3	29,685	2.2	7	34,459	2.55
10 Home Bank of Arkansas	2	12,945	1.2	2	20,398	1.8	2	22,550	1.8	2	24,277	1.8	2	32,983	2.44
11 US Bank	2	40,316	3.8	2	32,625	2.9	2	27,868	2.2	2	23,672	1.8	2	21,849	1.62
12 National Bank of Arkansas	2	7,765	0.7	2	8,417	0.8	2	13,121	1.1	2	18,260	1.4	2	28,999	2.14
13 First Arkansas Bank & Trust	3	13,809	1.3	3	13,595	1.2	3	19,105	1.5	3	13,172	1.0	3	14,884	1.10
14 Heber Springs State Bank	1	2,031	0.2	1	2,477	0.2	1	3,068	0.2	1	2,447	0.2	1	2,612	0.19
15 River Town Bank															
Total	46	\$1,071,926	100	48	\$1,106,855	100	48	\$1,245,903	100	52	\$1,323,589	100	57	\$1,351,954	100

Average deposits per office \$23,303

Percentage of market for the top three banks 74.6

1. Name as chartered in 2007 and ranked ordered as deposits in 2007

* Faulkner County Deposits

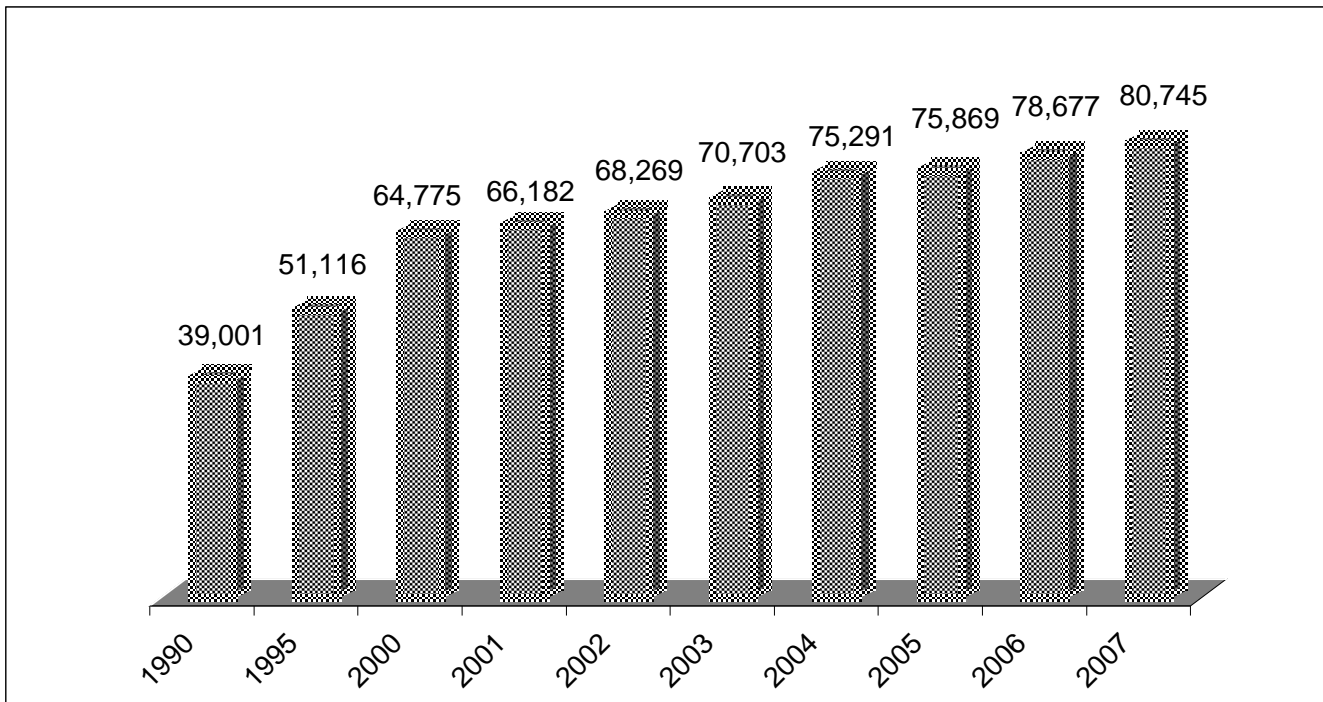
Faulkner County Motor Vehicle Registration*

Year	Passenger	Trucks	Cycles	Total	Increase	% Increase	Ten Year Increase	
2007	54,624	23,824	2,297	80,745	2,068	2.6		
2006	53,020	23,695	1,962	78,677	2,808	3.7	2007	80,745
2005	51,342	22,780	1,747	75,869	578	0.8	1997	54,911
2004	51,173	22,471	1,647	75,291	4,588	6.5	Increase	25,834
2003	47,782	21,616	1,305	70,703	2,434	3.6	Percent	47.0
2002	46,139	20,927	1,203	68,269	2,087	3.2		
2001	44,253	20,867	1,062	66,182	1,407	2.2	Average	
2000	43,208	20,655	912	64,775	520	0.8	Yearly	
1999	43,052	20,480	723	64,255	2,995	4.9	Increase	2,583
1998	40,736	19,836	688	61,260	6,349	11.6		
1997	36,007	18,434	470	54,911	1,918	3.6		
1996	34,400	18,148	445	52,993	1,877	3.7		
1995	32,683	17,998	435	51,116	3,509	7.4		
1994	30,898	16,333	376	47,607	3,188	7.2		
1993	28,785	15,271	363	44,419	2,150	5.1		
1992	27,323	14,607	339	42,269	1,642	4.0		
1991	26,261	14,033	333	40,627	1,626	4.2		
1990	25,173	13,500	328	39,001				

*There appears to be inconsistencies the data for some years.

Data Source: Arkansas Department of Finance and Administration except for 2005 thru 2007 the data sources was the Arkansas Highway and Transportation Department.

Faulkner County Motor Vehicle Registration



Agriculture Production In Faulkner County

Crop	Income From Production Sold										Percent Increase
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*	2006-2007
Beef**	\$15,200,000	\$18,500,000	\$19,600,000	\$16,000,000	\$15,750,000	\$17,000,000	\$16,200,000	\$18,000,000	\$17,000,000	\$16,000,000	-5.88 %
Greenhouses	2,000,000	4,000,000	4,000,000	4,000,000	4,500,000	5,000,000	5,500,000	5,500,000	5,600,000	6,000,000	7.14
Dairy	4,004,000	3,733,800	3,643,750	3,377,500	3,564,000	3,250,000	3,458,000	3,094,000	2,934,400	3,724,000	26.91
Rice	1,316,250	1,290,900	1,509,300	1,544,400	1,218,400	1,445,000	1,512,000	1,305,000	1,087,500	2,737,000	151.68
Soybeans	,990,000	957,000	899,460	1,250,000	1,540,000	2,775,000	2,178,000	1,786,400	1,416,800	2,380,000	67.98
Corn	81,000	33,000	53,865	92,400	108,000	303,750	338,000	220,000	348,000	1,026,000	194.83
Forestry	900,000	1,500,000	1,350,000	500,000	700,000	650,000	600,000	700,000	500,000	600,000	20.00
Wheat	560,000	614,800	614,800	390,000	435,000	250,000	502,500	300,000	306,000	360,000	17.65
Fruits & Vegetables	600,000	750,000	800,000	800,000	750,000	800,000	900,000	800,000	700,000	200,000	-71.43
Hay***	3,125,000	3,000,000	5,400,000	3,900,000	500,000	600,000	600,000	100,000	130,000	150,000	15.38
Hogs	78,000	82,500	95,000	30,000	25,000	25,000	35,000	45,000	40,000	25,000	-37.50
Silage	200,000	300,000	250,000	0	240,000	429,000	250,000	225,000	93,000	0	-100.00
Grain Sorghum	4,500	6,000	0	0	0	0	0	0	0	0	
Total	\$29,058,750	\$34,768,000	\$38,216,175	\$31,884,300	\$29,330,400	\$32,527,750	\$32,073,500	\$32,075,400	\$30,155,700	\$33,202,000	10.10
Percent Change	-7.24%	19.65%	9.92%	-16.57%	-8.01%	10.90%	-1.40%	0.01%	-5.98%	10.10%	

*Value of products not sold but produced and consumed on farms = \$5,900,000.

** Fifth in the state for beef cattle production. Herds have been liquidated due to population growth

***Only 5% of production is sold resulting in \$150,000 income from sale of hay. Remainder is fed to beef and dairy cattle.

Gross Production, Not Necessarily Sold

	Number of Acres or Head		Total Yield			Percent Increase In	Yield Rate		Percent Increase In	
	In Production					Yield			Yield Rate	
	2006	2007	2006	2007		2006-2007	2006	2007	2006-2007	
Rice	2,500	2,800	362,500	476,000	Bushels	31.31	150	170	Bushels/Acre	13.33
Soybeans	11,000	10,000	253,000	280,000	Bushels	10.67	28	28	Bushels/Acre	0.00
Corn	1,000	18,000	120,000	270,000	Bushels	125.00	120	150	Bushels/Acre	25.00
Hay	60,000	40,000	150,000	120,000	Bales	-20.00	2.5	3	Bales/Acre	20.00
Wheat	1,500	2,000	90,000	80,000	Bushels	-11.11	50	60	Bushels/Acre	20.00
Beef**	28,000	25,000	35,000	33,000	Head Sold	-5.71				
Hogs	100	100	1,000	1,000	Head Sold	0.00				
Dairy # Head	1,600	1,400	22,400,000	19,600,000	Pounds	-12.50	14,000	14,000	Lbs. per cow	0.00

Data Source: Bill Dodgen, Cooperative Extension Service-Faulkner County

Natural Gas Production in the Fayetteville Shale By County and Year

County	2004		2005		2006		'2007 (As of November)		Total Production in MCF
	# Wells*	MCF**	# Wells*	MCF**	# Wells*	MCF**	# Wells*	MCF**	
Cleburne			1	32,362	5	157,637	17	1,994,147	2,184,146
Conway	5	51,291	29	1,268,609	67	5,582,520	152	22,028,244	28,930,664
Faulkner			7	291,846	26	2,498,082	54	7,111,856	9,901,784
Franklin	5	31,309	4	177,902	7	200,894	11	168,666	578,771
Johnson			1	364		0	0	0	364
Pope			1	13,171	1	8,277	8	348,442	369,890
Van Buren	3	18,027	15	612,976	52	5,162,929	165	26,466,723	32,260,655
White					14	1,200,929	146	17,370,067	18,570,996
Total	13	100,627	58	2,397,230	172	14,811,268	553	75,488,145	92,797,270
Average Wellhead Price per MCF									
		\$5.45		\$7.32		\$6.42		\$6.49	\$6.50
Estimated Value of Production									
	\$548,417		\$17,547,724		\$95,088,341		\$489,918,061		\$603,102,542
Severance Tax									
At current rate of \$.003 per MCF:									
	\$302		\$7,192		\$44,434		\$226,464		\$278,392
Estimated at proposed 7% of wellhead price:									
	\$38,389		\$1,228,341		\$6,656,184		\$34,294,264		\$42,217,178

* Number of producing wells

** Thousand Cubic Feet (MCF)

The Economic Impact of Travel in Arkansas and Faulkner County

Total Travel Expenditures											% Increase		Nine Year Increase	
	1997	1998	1999	2000	2001*	2002	2003	2004	2005	2006**	From 2005	Amount	Percent	
State	\$3,219,512,000	\$3,418,800,000	\$3,622,218,600	\$3,843,173,935	\$3,812,245,000	\$3,918,987,404	\$3,942,501,328	\$4,253,958,933	\$4,632,561,000	\$5,049,491,793	9.00	\$1,413,049,000	43.89	
Faulkner County	\$43,689,519	\$47,415,907	\$51,359,657	\$54,061,722	\$54,871,074	\$53,866,263	\$55,510,938	\$62,158,168	\$69,433,523	\$80,008,451	15.23	\$25,744,004	58.92	
Visitors(Person Trips)***														
State	18,336,000	19,178,000	19,801,000	20,336,000	19,848,000	19,927,000	19,668,000	20,691,000	21,829,000	23,073,358	5.70	3,493,000	19.05	
Faulkner County	264,145	285,596	301,637	307,364	307,173	294,551	297,915	325,450	352,700	395,539	12.15	88,555	33.53	
Total Travel Expenditure Per Visitor														
State	\$175.58	\$178.27	\$182.93	\$188.98	\$192.07	\$196.67	\$200.45	\$205.59	\$212.22	\$218.85	3.12	\$37	20.87	
Faulkner County	\$165.40	\$166.02	\$170.27	\$175.89	\$178.63	\$182.88	\$186.33	\$190.99	\$196.86	\$202.28	2.75	\$31	19.02	
State Tax Receipts¹														
State	\$144,878,000	\$153,846,000	\$162,999,000	\$172,943,000	\$213,972,000	\$219,778,656	\$220,780,074	\$238,221,700	\$259,424,000	\$282,711,540	8.98	\$114,546,000	79.06	
Faulkner County	\$2,275,995	\$2,471,623	\$2,673,368	\$2,822,473	\$3,574,138	\$3,514,613	\$3,616,113	\$4,048,819	\$4,530,565	\$5,232,932	15.50	\$2,254,570	99.06	
1. Includes Gasoline Tax, Sales Tax, Employee Taxes & Fees														
Local Tax Receipts														
State	\$61,171,000	\$64,975,000	\$68,822,000	\$73,020,000	\$78,448,000	\$80,644,357	\$82,792,528	\$89,333,138	\$97,284,000	\$106,039,328	9.00	\$36,113,000	59.04	
Faulkner County	\$815,362	\$885,578	\$958,909	\$1,009,788	\$984,123	\$968,277	\$1,016,930	\$1,138,383	\$1,272,366	\$1,468,412	13.35	\$457,004	56.05	
Number Employed														
State	46,868	47,944	48,723	49,381	57,497	57,612	57,785	59,287	60,917	62,653	2.85	14,049	29.98	
Faulkner County	724	749	770	778	925	905	919	961	1001	1,062	6.09	277	38.26	
Payroll of Employees Resulting From Tourism														
State	\$553,756,000	\$586,808,000	\$623,018,000	\$661,026,000	\$842,278,000	\$865,861,710	\$871,292,794	\$940,124,925	\$1,023,796,000	\$1,115,937,687	9.00	\$470,040,000	84.88	
Faulkner County	\$7,784,685	\$8,430,381	\$9,147,505	\$9,622,492	\$12,093,475	\$11,858,533	\$12,198,185	\$13,641,796	\$15,219,001	\$17,533,413	15.21	\$7,434,316	95.50	
Average Annual Pay of Those Employed By Tourism														
State	\$11,815	\$12,239	\$12,787	\$13,386	\$14,649	\$15,029	\$15,078	\$15,857	\$16,806	\$17,811	5.98	\$4,991	42.24	
Faulkner County	\$10,752	\$11,256	\$11,880	\$12,368	\$13,074	\$13,103	\$13,273	\$14,195	\$15,204	\$16,510	8.59	\$4,451	41.40	

*Data revised.

** Preliminary Figures

*** A person trip is one person traveling 100 miles or more one way and/or spending one night away from his point of origin.

Source: Arkansas Department of Tourism & Travel

Employment and Earnings for Faulkner County

	1996				2005				2006				Increase From 1996 Through 2006											
	Firms		Employees		Annual Earnings*		Weekly Earnings		Firms		Employees		Annual Earnings*		Weekly Earnings		Firms		Employees		Annual Earnings*		Weekly Earnings	
	N	N	Amount	Average	N	N	Amount	Average	N	N	Amount	Average	N	%	N	%	Amount	%	Amount	%	Amount	%		
Manufacturing	85	7,302	\$185,079,840	\$487	119	5,308	\$196,000,835	\$710	121	5,238	\$202,157,458	\$742	36	42.4	-2,064	-28.3	\$17,077,618	9.23	\$255	52.4				
Construction	221	2,175	\$49,064,443	434	325	2,708	81,458,458	578	351	2,987	94,239,609	607	130	58.8	812	37.3	\$45,175,166	92.07	173	39.8				
Transportation & Public Services**	48	524	14,804,120	543	69	634	23,862,732	723	76	693	27,668,637	768	28	58.3	169	32.3	\$12,864,517	86.90	225	41.4				
Wholesale & Retail Trade**	462	6,090	79,829,862	252	497	5,579	116,776,023	403	526	5,791	128,154,833	426	64	13.9	-299	-4.9	\$48,324,971	60.53	174	68.9				
Information					39	356	11,022,698	595	40	356	11,864,891	641												
Financial, Insurance & Real Estate	118	686	16,388,035	459	282	1,349	40,284,638	574	293	1,401	44,992,693	618	175	148.3	715	104.2	\$28,604,658	174.55	159	34.6				
Services:																								
Professional & Business Services					318	5,266	241,136,538	881	325	5,254	260,948,309	955												
Educational & Health Services					274	4,841	138,677,290	551	311	5,211	158,186,765	584												
Leisure & Hospitality Services					180	3,757	36,130,955	185	189	3,815	39,031,579	197												
Other Services					143	585	11,437,783	376	135	572	12,195,486	410												
Total Services	476	6,683	150,952,950	434	915	14,449	427,382,566	569	960	14,852	470,362,139	609	484	101.7	8,169	122.2	\$319,409,189	211.60	175	40.3				
Government	52	4,570	110,680,667	466	60	6,237	185,416,301	572	60	6,160	203,348,554	635	8	15.4	1,590	34.8	\$92,667,887	83.73	169	36.3				
Natural Resources					10	54	1,816,145	647	18	191	10,358,287	1,043												
Other	29	164	3,095,315	332																				
Total	1,491	28,191	\$609,576,921	\$416	2,270	35,535	\$1,085,009,296	\$587	2,443	37,668	\$1,193,147,101	\$609	952	63.8	9,477	33.6	\$583,570,180	95.73	\$193	46.5				
Average Annual Earnings			\$22,762				\$30,534				\$31,675						\$8,913	39.16						

* Earnings Include Fringe Benefits