

Conway: An Oasis in Arkansas

The 2008 Faulkner County
Annual Economic Report



58th Annual Presentation
The Conway Rotary Club

2008 Economic Report



*The Center
of Business
Learning*

Information on
Faulkner County and Conway, Arkansas

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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 58th 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 fourteenth. 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 four years. The Faulkner County Annual Economic Report has become a featured program for the Conway Rotary Club and attracts many guests.

Intern Recognition:

Mark Senia
Economic Report 2008

Emily Leathers
Economic Report 2007

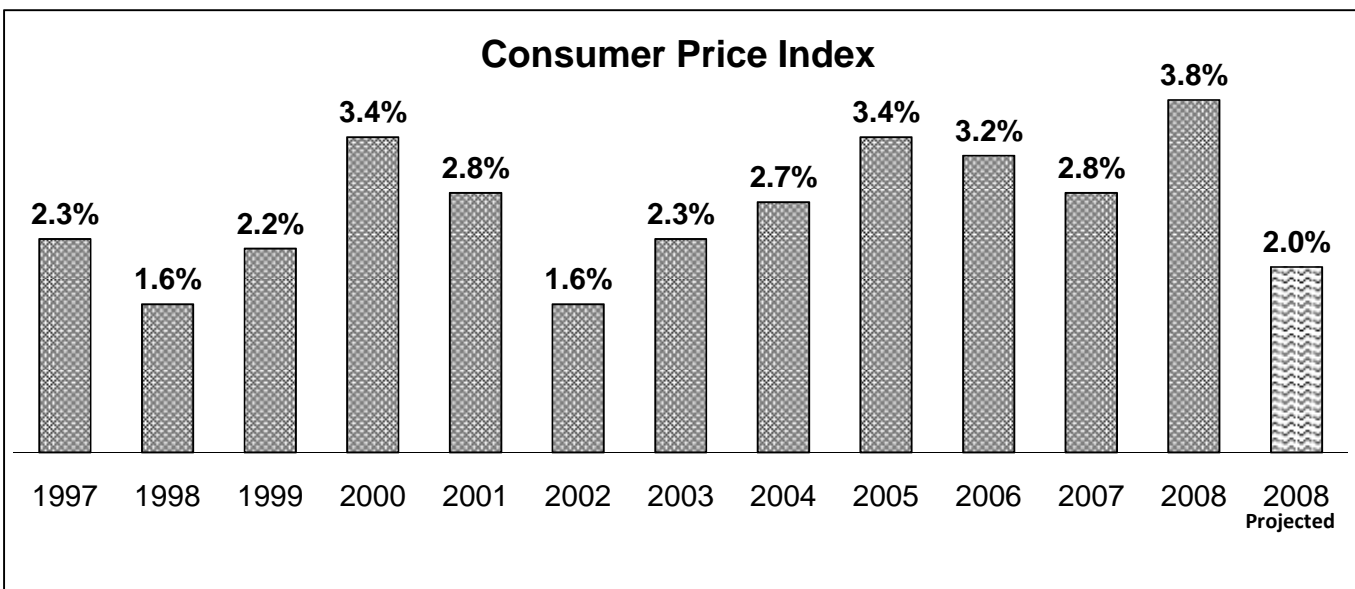
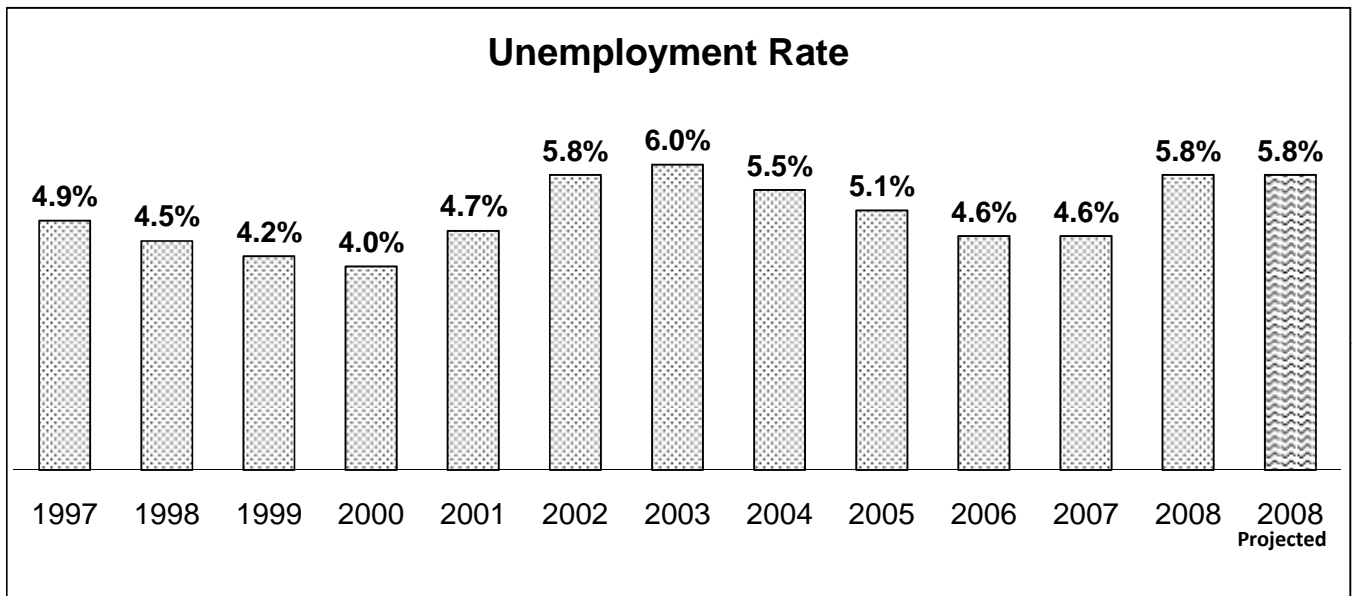
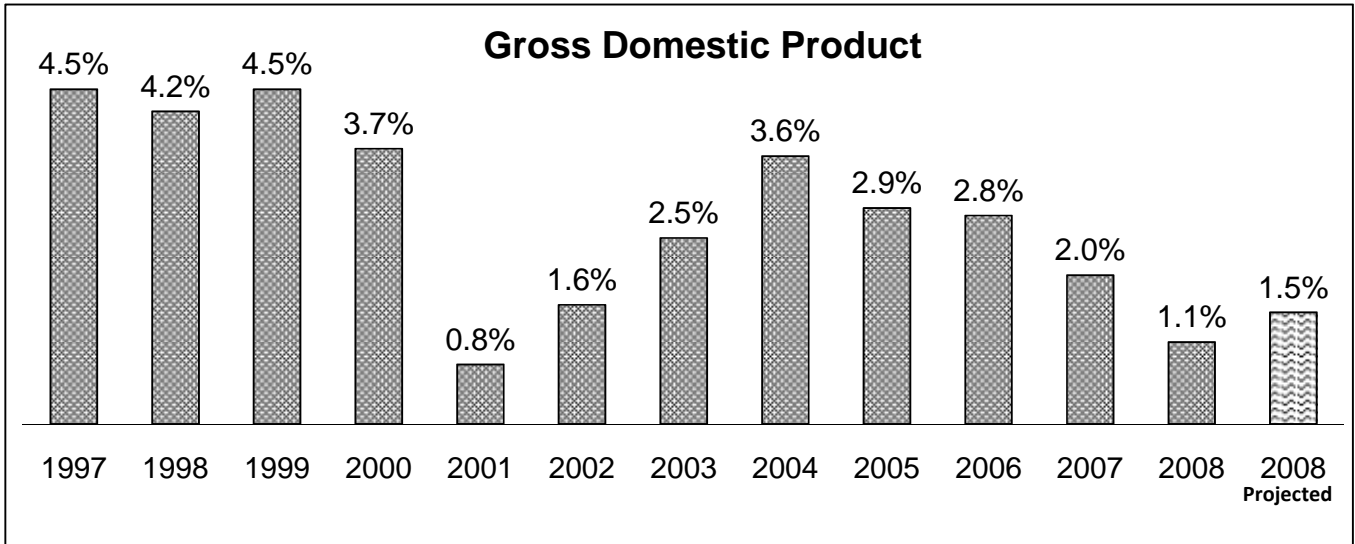
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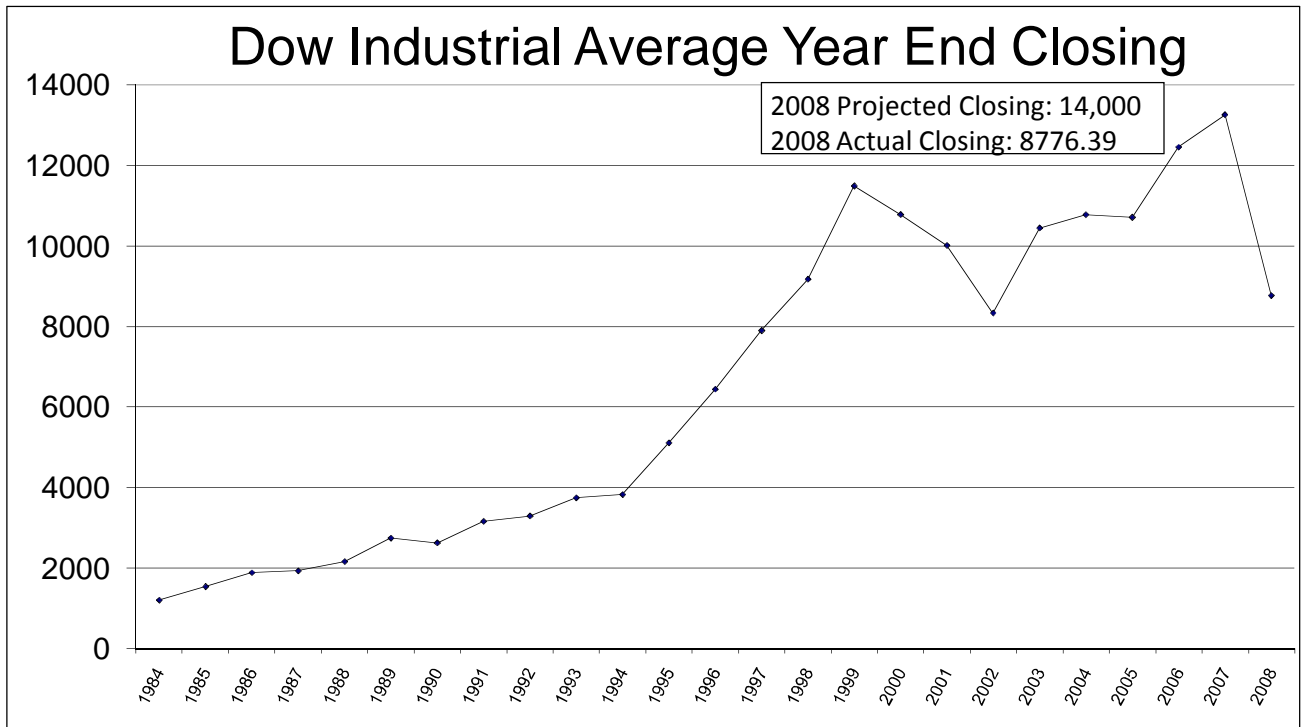
Amber Fason
Economic Report 2005

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National Economy

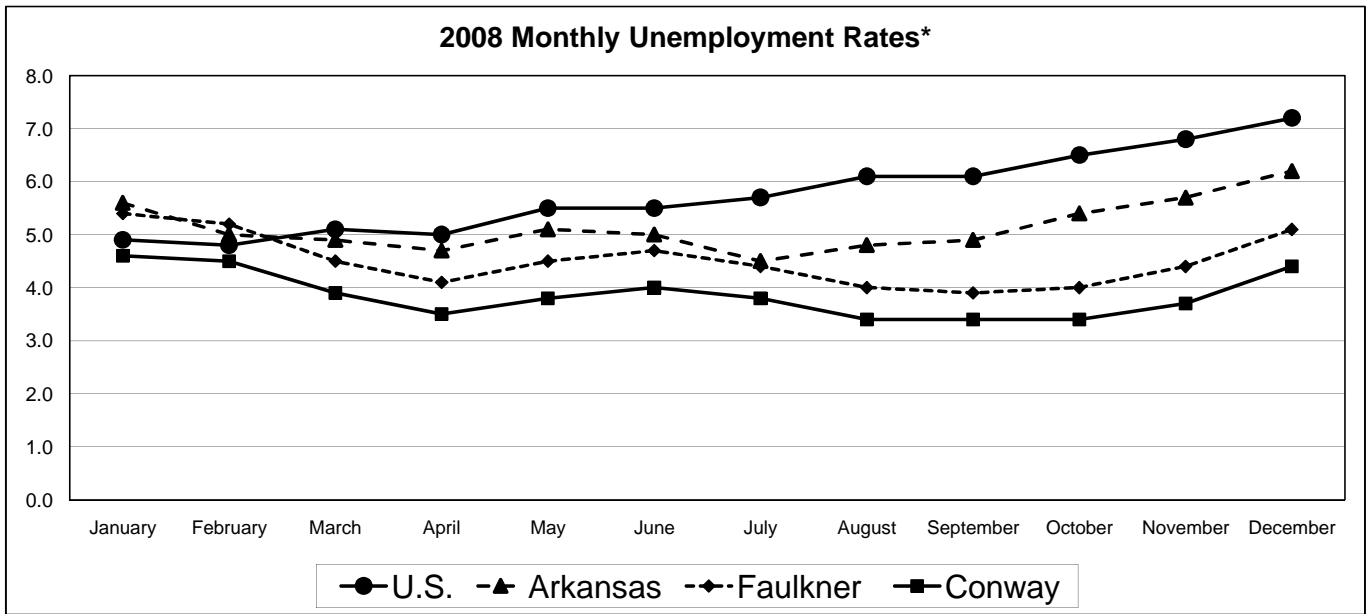




Consumer Price Index for All Urban Consumers for 2005 - 2008 (Seasonally Adjusted)

	2005	2006	2007	2008
Energy	17.0	11.2	5.5	13.9
Medical Care	4.2	4.0	4.4	3.7
Food	2.5	2.4	3.9	5.4
Other Goods & Services	2.9	2.6	3.6	3.6
Housing	3.3	3.8	3.1	3.2
Education & Communications	1.9	2.7	2.4	3.4
Transportation	6.6	4.0	2.1	5.9
Recreation	0.7	1.4	0.5	1.6
Apparel	-0.7	0.0	-0.4	-0.1
All Items	3.4	2.5	2.8	3.8

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



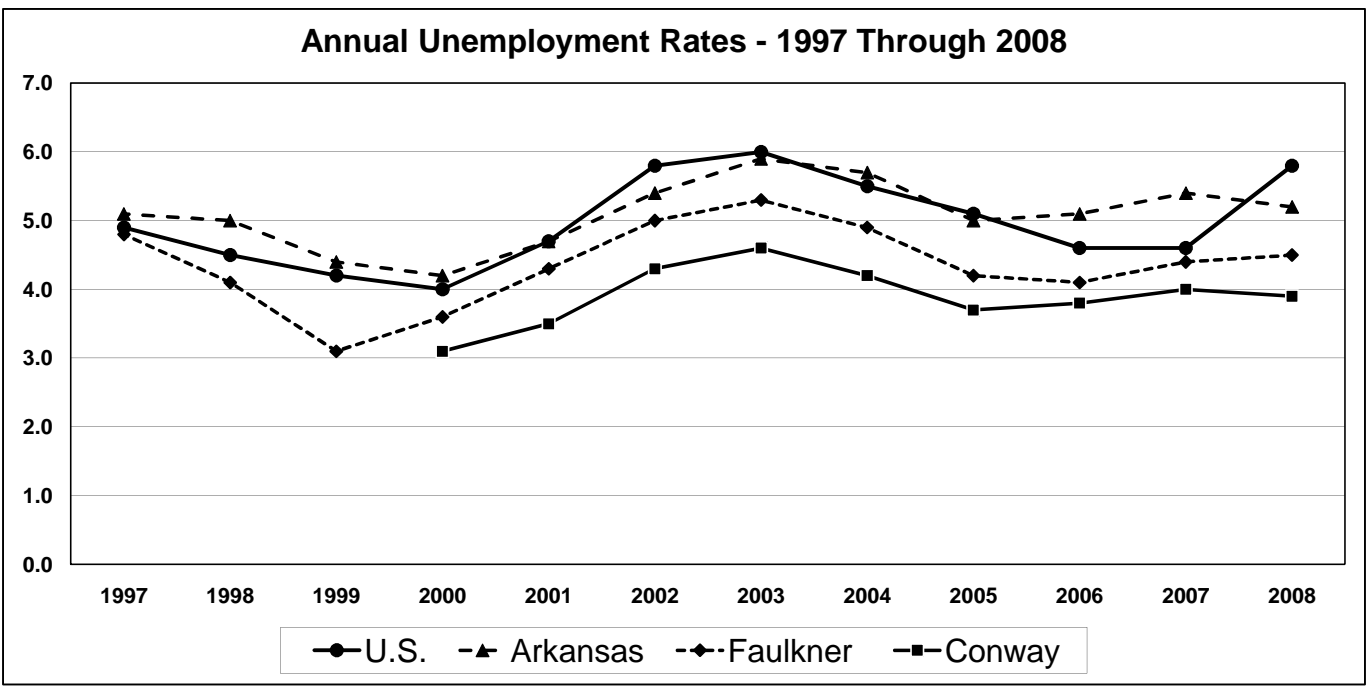
2008 Percent Unemployed By Month*

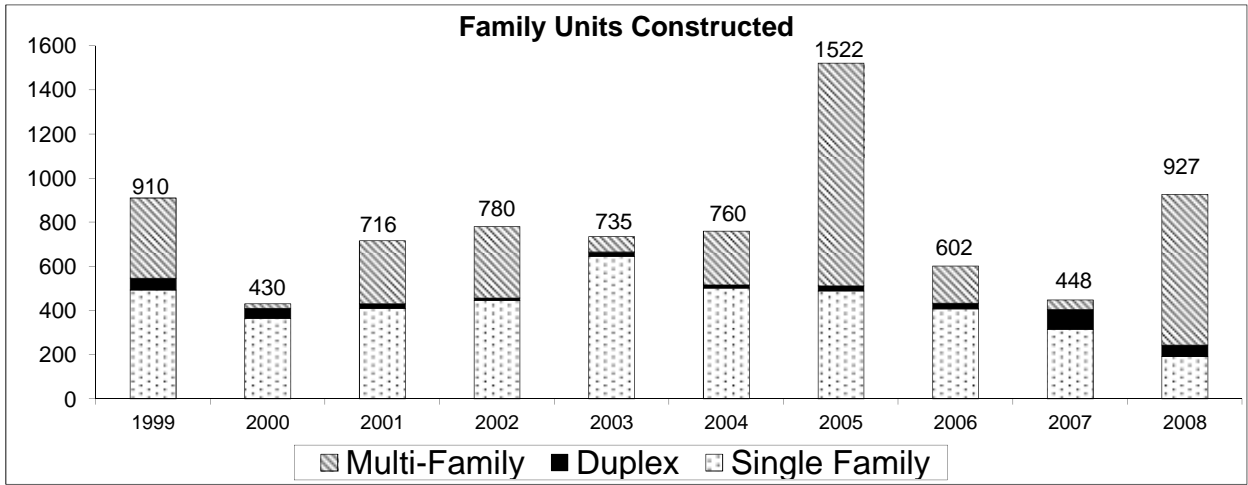
Month	U.S.	Arkansas	Faulkner	Conway
January	4.9	5.6	5.4	4.6
February	4.8	5.0	5.2	4.5
March	5.1	4.9	4.5	3.9
April	5.0	4.7	4.1	3.5
May	5.5	5.1	4.5	3.8
June	5.5	5.0	4.7	4.0
July	5.7	4.5	4.4	3.8
August	6.1	4.8	4.0	3.4
September	6.1	4.9	3.9	3.4
October	6.5	5.4	4.0	3.4
November	6.8	5.7	4.4	3.7
December	7.2	6.2	5.1	4.4
Average	5.8	5.2	4.5	3.9

Average Annual Unemployment Rate*

Year	U.S.	Arkansas	Faulkner	Conway
2008	5.8	5.2	4.5	3.9
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	

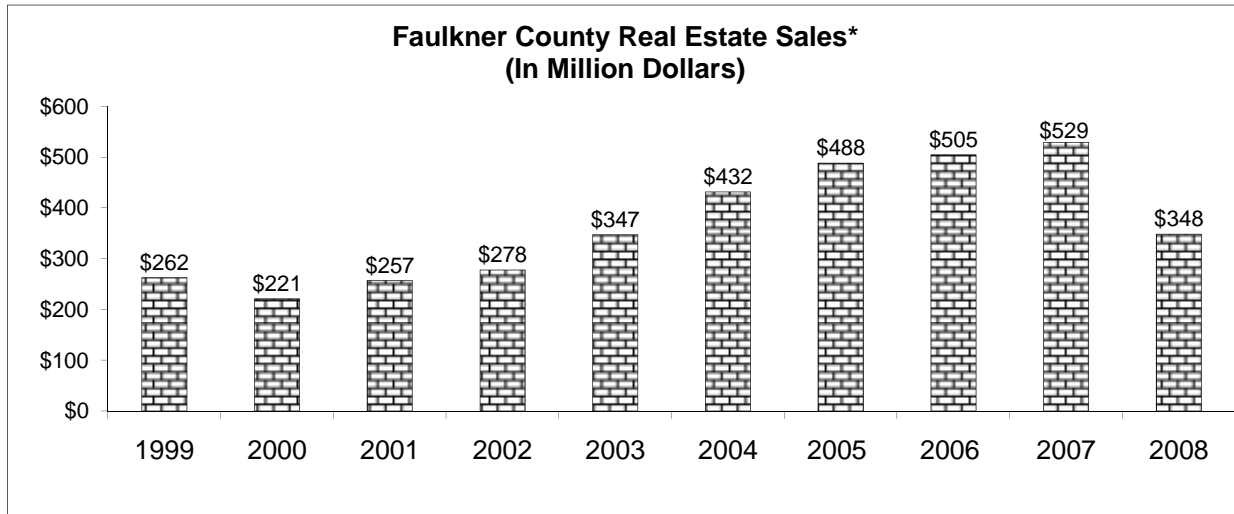
* Percentage of the work force unemployed, not seasonally adjusted for Avg Annual Rates, seasonally adjusted for Monthly Rates for US and Arkansas but not seasonally adjusted for Faulkner County and Conway City





	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Ten Year	
											Summary	Average
Single Family	493	364	409	445	645	502	488	407	314	192	4259	426
Duplex*	54	46	22	12	20	14	24	27	90	52	361	36
Multi-Family	363	20	285	323	70	244	1010	168	44	683	3210	321
Total Units	910	430	716	780	735	760	1522	602	448	927	7830	783

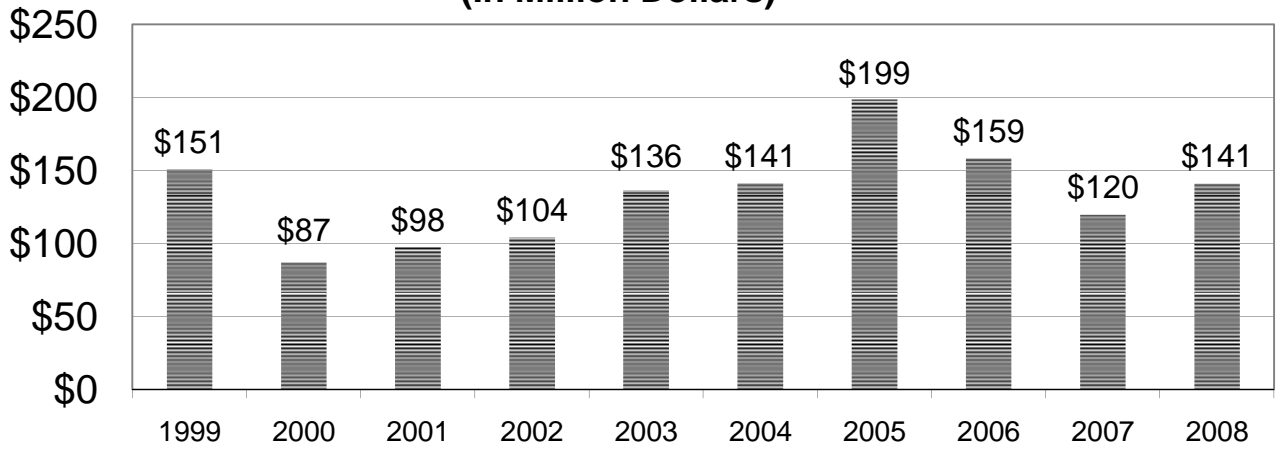
*The number of duplex units is one-half the number of family units



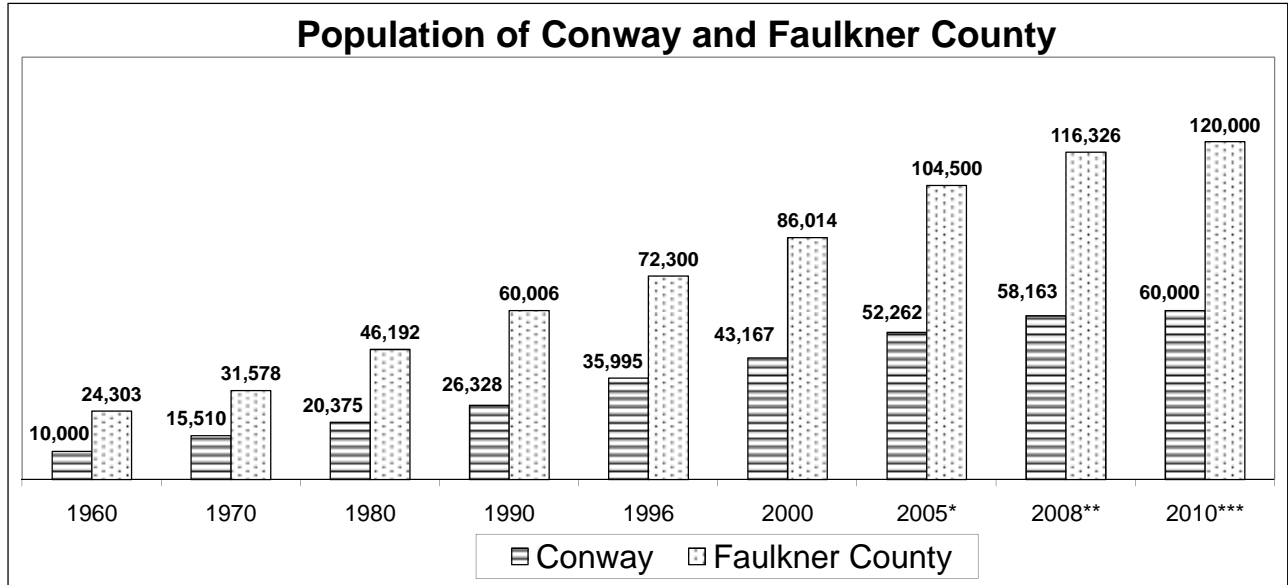
Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Faulkner County Real Estate	\$262,489,000	220,920,303	257,225,333	278,059,667	346,937,333	431,611,485	488,112,667	504,828,788	529,141,484	348,258,667

* Based on Revenue Tax Stamps Sold

Value of Building Permits (In Million Dollars)



Year	Residential	Institutional	Commercial	Industrial	Other	Total	% Increase From Previous Year
2008	\$82,193,006	\$21,453,780	\$30,815,952	\$6,462,300	\$159,985	\$141,085,022	17.6
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	<u>150,900,896</u>	32.0
					Total	\$1,309,088,154	



	1960	1970	1980	1990	1996	2000	2005*	2008**	2010***
Conway	10,000	15,510	20,375	26,328	35,995	43,167	52,262	58,163	60,000
Faulkner County	24,303	31,578	46,192	60,006	72,300	86,014	104,500	116,326	120,000

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

**Conway and Faulkner County's population for 2008 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
2008	1,392**	746**	646**	1.9	1.5
2007	1,481	737	717	2.0	1.5
2006	1,530	726	807	2.1	1.5
2005	1,398	717	736	1.9	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
Ten Year Summary	13,219	5,968	6,722	2.0	1.4

* 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
2008	\$1,123,368,743	19.2	320.0	\$1,496,695,625	17.8	309.7
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	Real Estate	% of Assessment	All Property	% of Assessment
2008	\$982,576,593	87.5	\$1,355,903,478 †	90.6
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

Year	Taxable Values***			Percent of Faulkner County	Taxable Values***			Percent of Faulkner County
	Real Estate	Percent of Faulkner County	All Property		Real Estate	Percent of Faulkner County	All Property	
2008	\$666,789,220	59.4	\$883,224,729	59.0	\$599,097,860	61.0	\$815,533,364	60.1
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

† This includes \$9,016,390 in natural gas production, based on million cubic feet sold.

Data Source: Faulkner County Assessors Office

**Cost of Living Comparison of Conway Arkansas to
the National Average and to Selected Cities ¹**

December 2008

Percent of National Average

	Composite	Difference²	Groceries	Housing	Utilities	Transportation	Health	Average Rent³	Average Home⁴
Conway	91.2	0.0	98.1	80.6	96.3	97.6	92.1	\$592	\$248,371
Fayetteville	90.8	-0.4%	95.5	71.3	94.6	98.6	93.5	586	251,267
Fort Smith	87.7	-3.8%	90.4	80.6	98.8	88.3	92.2	514	216,000
Jonesboro	87.5	-4.1%	92.1	77.8	92.6	91.9	86.2	564	240,814
Hot Springs	91.9	0.8%	95.4	83.9	98.7	92.5	87.0	574	262,570
Little Rock	93.9	3.0%	98.1	80.1	108.0	98.1	96.9	737	239,728
San Jose, CA	156.3	71.4%	139.1	251.0	112.8	114.2	119.3	1,356	797,067
Peoria, IL	100.9	10.6%	105.4	93.5	112.2	106.6	98.9	688	289,627
Dallas, TX	92.2	1.1%	99.9	71.2	104.7	102.9	104.3	727	212,394
Houston TX	90.7	-0.5%	85.8	76.2	103.2	98.9	100.2	819	220,264
National Average ¹	100.0	9.6%	100.0	100.0	100.0	100.0	100.0	786	306,892

1. The national average cost for each index area is set at "100", and the indices for each city are then calculated based upon their relation to the national average.

2. Percent difference from Conway

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

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

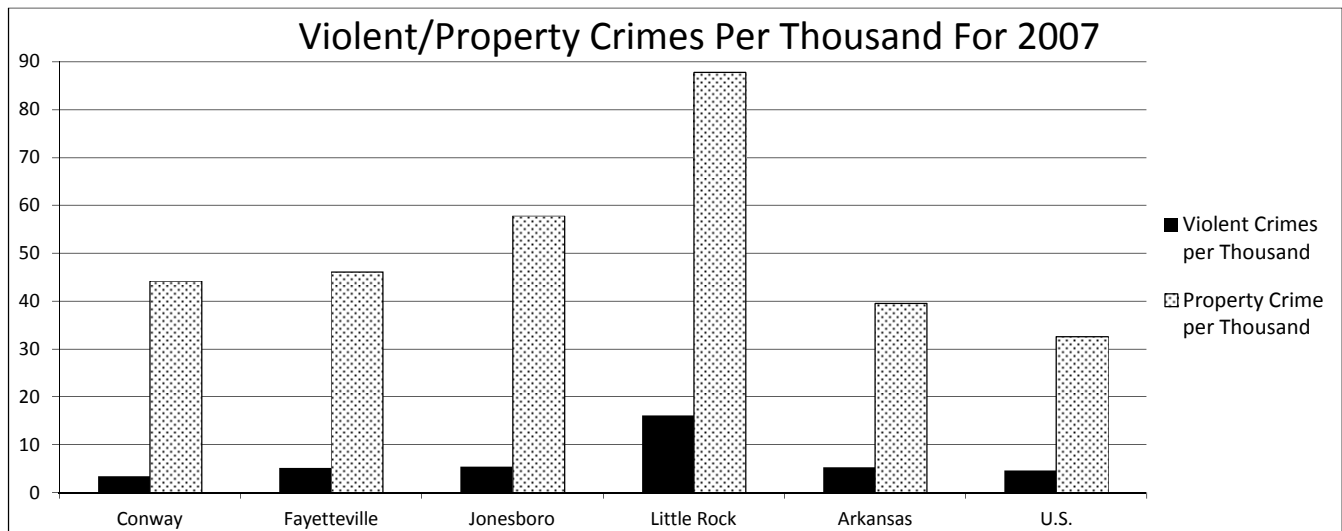
Data source: ACCRA - A nonprofit research organization, Arlington Virginia

FBI 2006 and 2007 Crime Statistics

Comparing Conway to Selected Cities in Arkansas and to the State and Nation

City	Population	Violent Crimes					Property Crime				
		Nonnegligent Manslaughter	Forcible Rape	Robbery	Aggravated Assault	Total Violent Crime	Burglary	Larceny-theft	Motor Vehicle Theft	Arson	Total Property Crime
Conway 2007	52,592	2	39	64	79	184	465	1,681	173	5	2,324
<i>Crimes perThousand</i>		0.04	0.74	1.22	1.50	3.50	8.84	31.96	3.29	0.10	44.19
Conway 2006	52,592	3	35	61	88	187	393	1,843	184	6	2,420
<i>Crimes perThousand</i>		0.06	0.67	1.16	1.67	3.56	7.47	35.04	3.50	0.11	46.0
<i>Percent Change From 2006- 07</i>		-33.33	11.43	4.92	-10.23	-1.60	18.32	-8.79	-5.98	-16.67	-3.97
Fayetteville 2007	70,334	3	42	55	262	362	656	2,435	145	10	3,246
<i>Crimes perThousand</i>		0.04	0.60	0.78	3.73	5.15	9.33	34.62	2.06	0.14	46.15
Fayetteville 2006	67,416	0	41	35	281	357	602	2,455	172	11	3,229
<i>Crimes perThousand</i>		0.00	0.61	0.52	4.17	5.30	8.93	36.42	2.55	0.16	47.90
<i>Percent Change From 2006- 07</i>			-1.81	50.62	-10.63	-2.81	4.45	-4.93	-19.20	-12.86	-3.64
Jonesboro 2007	61,199	5	30	92	206	333	1,419	1,993	114	12	3,538
<i>Crimes perThousand</i>		0.08	0.49	1.50	3.37	5.44	23.19	32.57	1.86	0.20	57.81
Jonesboro 2006	60,035	3	39	88	337	467	1,579	2,080	148	7	3,807
<i>Crimes perThousand</i>		0.05	0.65	1.47	5.61	7.78	26.30	34.65	2.47	0.12	63.41
<i>Percent Change From 2006- 07</i>		66.67	-23.08	4.55	-38.87	-28.69	-10.13	-4.18	-22.97	71.43	-7.07
Little Rock 2007	184,594	51	123	1,022	1,791	2,987	3,932	10,915	1,265	93	16,205
<i>Crimes perThousand</i>		0.28	0.67	5.54	9.70	16.18	21.30	59.13	6.85	0.50	87.79
Little Rock 2006	186,670	58	151	899	2,216	3,324	3,866	10,611	1,312	145	15,789
<i>Crimes perThousand</i>		0.31	0.81	4.82	11.87	17.81	20.71	56.84	7.03	0.78	84.58
<i>Percent Change From 2006- 07</i>		-12.07	-18.54	13.68	-19.18	-10.14	1.71	2.86	-3.58	-35.86	2.63
State Total 2007	2,834,797	191	1,268	3,024	10,524	15,007	32,072	72,979	7,010		112,061
<i>Crimes perThousand</i>		0.07	0.45	1.07	3.71	5.29	11.31	25.74	2.47		39.53
State Total 2006	2,810,872	205	1,308	2,766	11,227	15,506	32,042	57,425	5,377		85,540
<i>Crimes perThousand</i>		0.07	0.47	0.98	3.99	5.52	11.40	20.43	1.91		30.43
<i>Percent Change From 2006- 07</i>		-6.83	-3.06	9.33	-6.26	-3.22	0.09	27.09	30.37		31.00
U.S. Total 2007	301,621,157	16,929	90,427	445,125	855,856	1,408,337	2,179,140	6,568,572	1,095,769		9,843,481
<i>Crimes perThousand</i>		0.06	0.30	1.48	2.84	4.67	7.22	21.78	3.63		32.64
U.S. Total 2006	299,398,484	17,030	92,757	447,403	860,853	1,418,043	2,183,746	6,607,013	1,192,809		9,983,568
<i>Crimes perThousand</i>		0.06	0.31	1.49	2.88	4.74	7.29	22.07	3.98		33.35
<i>Percent Change From 2006- 07</i>		-0.59	-2.51	-0.51	-0.58	-0.68	-0.21	-0.58	-8.14		-1.40

NOTE: Although arson data are included in the trend and clearance tables, sufficient data are not available to estimate totals for this offense. Therefore, no arson data are published in this table.



Conway Corporation Revenues, Capital Expenditures and Number of Customers

Year	All Departments		Residential Electric Customers		Total Electric Customers		Population Estimate
	Revenue*	Capital Expenditures*	Number	% Increase	Number	% Increase	
2009**	\$92.6	10.6	24,464	4.3	27,377	4.0	60,671
2008	85.6	9.7	23,453	1.7	26,325	1.8	58,163
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	

* In million dollars

** Actual for 1995 through 2008, and budgeted for 2009

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
2008	23,453	2.48	58,163				116,326
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

	2005	2006	2007	2008
January	\$537,698	\$575,920	\$633,092	\$538,812
February	430,408	472,034	535,132	651,566
March	431,360	470,571	515,483	581,709
April	470,216	527,732	573,165	571,485
May	463,224	537,747	525,829	571,686
June	463,664	528,390	545,122	628,973
July	518,109	534,500	563,540	622,334
August	503,187	517,067	551,729	715,336
September	492,416	566,133	590,519	610,340
October	515,587	552,355	566,553	650,178
November	478,047	540,945	544,912	648,337
December	493,440	514,677	538,812	617,158
Total	\$5,797,355	\$6,338,071	\$6,683,888	\$7,407,916
Increase Over Previous Year		\$540,716	\$345,817	\$724,028

Faulkner County Estimated Sales Receipts

\$1,161,468,922 \$1,288,752,262 \$1,361,107,800 \$1,508,646,190

Conway 1% Sales Tax

	2005	2006	2007	2008
January	\$921,656	\$1,009,968	\$1,086,651	\$1,110,677
February	716,038	798,755	898,965	929,700
March	723,210	794,773	849,055	908,930
April	789,696	904,358	958,026	913,985
May	786,840	902,684	854,319	903,453
June	780,727	889,241	917,978	1,028,111
July	884,396	900,363	933,147	1,013,804
August	847,881	864,266	900,000	933,204
September	932,034	942,654	977,025	982,274
October	868,901	927,009	937,764	984,523
November	807,455	888,226	898,050	944,906
December	829,466	874,791	897,284	955,348
Total	\$9,888,301	\$10,697,087	\$11,108,265	\$11,608,915
Increase Over Previous Year		\$808,786	\$411,177	\$500,650

Conway Net Sales Tax Collections*

Year	Sales Tax Collections @1%	Sales Tax Collections @1/2%	Increase Over Previous Yr. @ 1% Rate	Estimated Gross Sales **
2008	\$11,608,915	\$5,848,245	4.9	\$1,160,891,508
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		621,282,300

* 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 2008 Sales Tax With Municipalities*

Damascus	\$10,345
Enola	16,487
Holland	50,602
Mt. Vernon	12,629
Wooster	45,252
Total	\$135,315

*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

2008 Sales Taxes Collected by Other Faulkner County Municipalities

Greenbrier	2%	\$1,789,400
Vilonia	2%	642,356
Mayflower	1%	354,449
Guy	2%	79,893
Twin Groves	1%	9,563

Estimated Retail Sales for 2008

City	Amount	% of Total
Conway	\$1,160,891,508	76.9%
Greenbrier	89,470,000	5.9%
Mayflower	35,444,900	2.3%
Vilonia	32,117,800	2.1%
Guy	3,994,650	0.3%
Twin Groves	956,300	0.1%
Non Local Tax Areas	185,771,032	12.3%
Faulkner County Total	\$1,508,646,190	100.0%

Conway Advertising and Promotion Tax Collections

	Motel 2% Tax Revenue				Prepared Food 2% Tax Revenue			
	2005	2006	2007	2008	2006	2007	2008	
January	\$11,673	\$12,689	\$20,152	\$22,458	January	\$166,729	\$172,936	\$190,282
February	10,968	12,691	22,892	28,159	February	161,858	185,023	199,746
March	12,462	14,309	24,416	27,294	March	157,781	197,110	210,505
April	16,135	21,304	26,485	28,916	April	163,750	197,089	213,686
May	16,688	18,382	24,699	33,388	May	174,284	193,641	212,963
June	18,145	18,070	30,266	33,599	June	166,212	197,366	207,238
July	20,588	26,749	22,276	30,178	July	196,544	183,987	208,228
August	18,743	21,005	22,311	34,172	August	191,476	204,535	213,264
September	16,850	21,801	26,597	31,365	September	181,758	186,792	205,322
October	17,139	21,475	27,067	31,782	October	175,253	195,202	212,898
November	15,794	20,691	19,775	27,572	November	188,775	189,407	194,786
December	15,209	22,624	24,480	20,836	December	189,678	199,162	197,114
Total	\$190,395	\$231,790	\$291,416	\$351,727	Total	\$2,114,098	\$2,302,250	\$2,468,040
Increase Over Previous Year		\$41,395	\$59,626	\$60,311			\$188,152	\$165,790

Estimated Annual Sales

	Motel Receipts				Prepared Food Sales		
	2005	2006	2007	2008	2006	2007	2008
	\$9,519,731	\$11,589,500	\$14,570,789	\$17,485,927	\$105,704,900	\$115,112,500	\$123,301,569
Increase Over Previous Year		\$2,069,770	\$2,981,289	\$2,915,138	Increase Over Previous Year	\$9,407,600	\$8,189,069
Percent Increase		21.7%	25.7%	20.0%	Percent Increase	8.9%	7.1%

Top Ten Restaurants By Annual Sales*

Restaurant	Total Sales
Chili's Bar & Grill	\$4,330,227
McDonalds (Salem)	3,468,944
Cracker Barrel	3,374,399
Chick-Fil-A	3,350,723
Marketplace Grill	3,283,141
Outback Steakhouse	2,863,625
Mike's Place	2,792,386
McDonalds (Oak St.)	2,713,370
McDonalds (Hwy 65 N)	2,507,272
Colton's Steak House	2,457,120
	\$31,141,207

Account for 25% of all prepared food sales

Top Five Hotels By Annual Sales*

Hotel	Total Sales
Hilton Garden Inn	\$2,185,945
Holiday Inn Express	1,850,352
Hampton Inn	1,713,134
Comfort Suites	1,671,869
Candlewood Suites	1,236,450
	\$8,657,750

Mixed Drink Sales

Year	Tax Revenue	Sales
2008	\$299,719	\$2,997,160
2007	168,138	1,681,380
2006	99,525	995,250
2005	74,445	744,450
2004	50,371	503,710
2003	53,396	533,960
2002	46,001	460,010

* Based on Advertising and Promotion Tax

**Number of Banking Institutions In Faulkner County and Total Deposits 1998-2008
(Deposits in Thousand Dollars)**

	Number of Institutions	Number of Offices	Total Deposits	Amount of Increase	Percent Increase	Ten Year Increase (1998-2008)		
						Institutions	Number	Percent
2008	15	58	\$1,360,715	\$8,761	0.6			
2007	15	57	1,351,954	28,365	2.1	Institutions	6	66.67
2006	15	52	1,323,589	77,686	6.2			
2005	14	48	1,245,903	139,228	12.6	Offices	36	163.64
2004	14	48	1,106,675	33,748	3.1			
2003	14	46	1,072,927	89,307	9.1	Deposits	\$651,176	91.77
2002	13	38	983,620	52,699	5.7			
2001	12	35	930,921	73,570	8.6			
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			

**Number of Banking Institutions In Conway County and Total Deposits 2005-2008
(Deposits in Thousand Dollars)**

	Number of Institutions	Number of Offices	Total Deposits	Amount of Increase	Percent Increase	Four Year Increase (2005-2008)		
						Institutions	Number	Percent
2008	8	11	\$292,380	\$5,249	1.8	Institutions	1	14.3
2007	7	11	287,131	21,451	8.1	Offices	1	10.0
2006	7	11	265,680	20,612	8.4	Deposits	\$47,312	19.3
2005	7	10	245,068					

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

	% Return on Assets				% Return on Equity			
	2005	2006	2007	2008**	2005	2006	2007	2008
US Bank	2.09	2.10	1.95	1.82	21.44	21.64	20.81	20.33
Centennial Bank	1.23	1.29	1.40	1.67	9.92	15.77	16.76	18.23
Arvest Bank	1.13	1.17	1.09	1.44	11.64	13.21	12.48	17.23
Simmons First National Bank	1.21	1.19	1.21	1.36	13.30	13.32	13.66	15.69
First Arkansas Bank	2.22	1.74	1.38	1.28	13.57	9.53	7.26	6.56
Bank of the Ozarks	1.80	1.53	1.39	1.23	22.88	20.81	17.16	14.61
Heber Springs State Bank	0.97	0.83	1.03	1.20	10.36	9.75	12.62	12.43
First Service Bank	1.21	0.58	0.80	1.13	15.16	7.55	10.23	13.18
First Security Bank	1.12	1.08	1.03	1.03	14.03	15.20	13.82	13.49
Regions Bank	1.24	1.54	1.09	0.88	10.26	11.34	6.89	5.81
River Town Bank	1.04	0.72	0.85	0.69	8.99	6.27	7.32	5.95
Metropolitan National Bank	0.91	0.73	0.65	0.66	13.41	10.45	8.82	8.23
Home Bank of Ark	0.41	0.41	0.88	0.57	4.61	3.65	8.55	15.33
Bank of America	1.52	1.36	1.34	0.51	15.56	14.59	14.93	6.12
National Bank of Arkansas	0.59	0.18	0.67	0.08	8.09	5.43	7.22	0.92
Average***	1.25	1.10	1.12	1.04	12.88	11.90	11.90	11.61

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

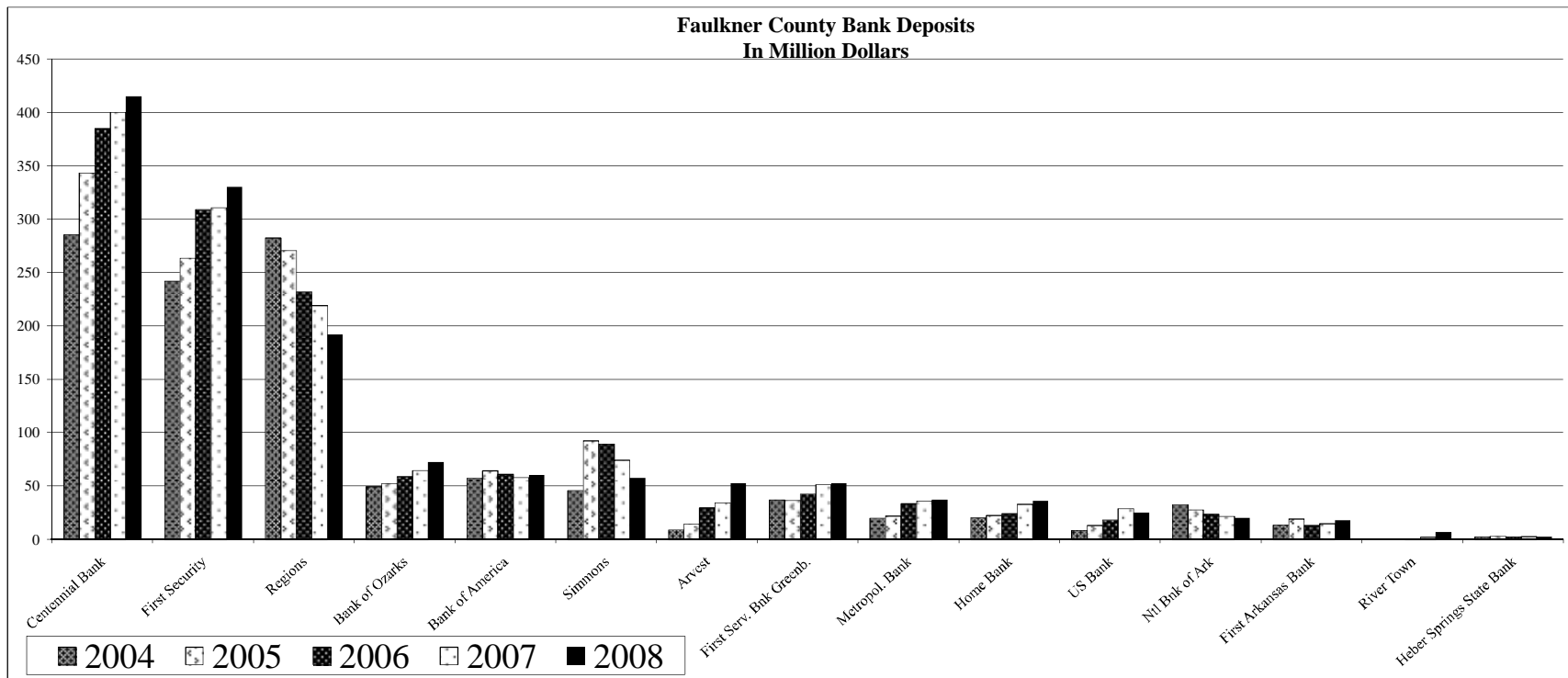
** Ranked in descending order of 2008 return on assets.

*** Not a weighted average

Data Source: Federal Deposit Insurance Corporation

Return on assets (ROA) Net income after taxes and extraordinary items (annualized) as a percent of average total assets.

Return on equity (ROE) Annualized net income as a percent of average equity (includes preferred and common stock, surplus and undivided profits) on a consolidated basis.



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

Name ¹	June 30, 2004			June 30, 2005			June 30, 2006			June 30, 2007			June 30, 2008		
	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 Centennial Bank	10	\$285,716	25.8	10	\$343,401	27.6	11	\$385,131	29.1	12	\$400,063	29.6	12	\$414,935	30.2
2 First Security Bank	7	242,103	21.9	8	263,533	21.2	8	309,193	23.4	8	310,767	23.0	9	329,940	24.0
3 Regions Bank	5	282,536	25.5	5	270,603	21.7	5	231,897	17.5	5	219,268	16.2	5	191,826	14.0
4 Simmons	2	49,669	4.5	2	52,570	4.2	3	58,857	4.4	3	64,604	4.8	3	72,350	5.3
5 Bank of America	3	57,450	5.2	3	64,346	5.2	3	61,080	4.6	3	57,945	4.3	3	59,899	4.4
6 Bank of the Ozarks	4	45,773	4.1	4	92,607	7.4	4	89,482	6.8	4	74,120	5.5	4	57,353	4.2
7 Metropolitan	3	8,940	0.8	2	14,633	1.2	3	29,685	2.2	7	34,459	2.5	6	52,491	3.8
8 Arvest Bank	3	37,246	3.4	3	36,591	2.9	3	42,423	3.2	3	51,257	3.8	3	52,349	3.8
9 First Service Bank Greenbrier	1	19,910	1.8	1	21,907	1.8	1	33,381	2.5	1	36,051	2.7	1	37,143	2.7
10 Home Bank of Arkansas	2	20,398	1.8	2	22,550	1.8	2	24,277	1.8	2	32,983	2.4	2	35,968	2.6
11 National Bank of Arkansas	2	8,417	0.8	2	13,121	1.1	2	18,260	1.4	2	28,999	2.1	2	24,663	1.8
12 US Bank	2	32,625	2.9	2	27,868	2.2	2	23,672	1.8	2	21,849	1.6	2	19,617	1.4
13 First Arkansas Bank & Trust	3	13,595	1.2	3	19,105	1.5	3	13,172	1.0	3	14,884	1.1	3	17,361	1.3
14 River Town Bank							1	632	0.1	1	2,093	0.2	2	6,686	0.5
15 Heber Springs State Bank	1	2,477	0.2	1	3,068	0.2	1	2,447	0.2	1	2,612	0.2	1	2,134	0.2
	48	\$1,106,855	100	48	\$1,245,903	100	52	\$1,323,589	100	57	\$1,351,954	100	58	\$1,374,715	100

Average deposits per office \$23,059

Percentage of market for the top three banks 73.2

1. Name as chartered in 2008 and ranked ordered as deposits in 2008

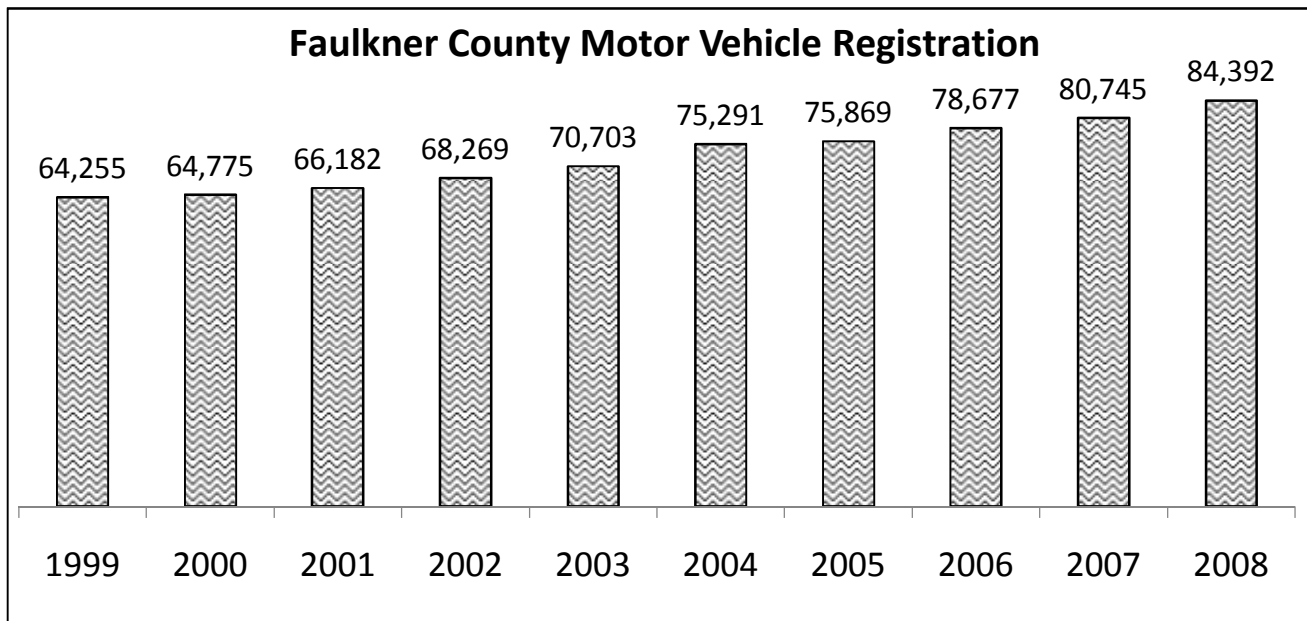
* Faulkner County Deposits

Faulkner County Motor Vehicle Registration*

Year	Passenger	Trucks	Cycles	Total	Increase	% Increase	Ten Year Increase	
2008	57,215	22,181	2,242	84,392	3,647	4.5	2008	84,392
2007	54,624	23,824	2,297	80,745	2,068	2.6	1999	64,255
2006	53,020	23,695	1,962	78,677	2,808	3.7	Increase	20,137
2005	51,342	22,780	1,747	75,869	578	0.8	Percent	31.3
2004	51,173	22,471	1,647	75,291	4,588	6.5	Average Yearly Increase	
2003	47,782	21,616	1,305	70,703	2,434	3.6		
2002	46,139	20,927	1,203	68,269	2,087	3.2	2,014	
2001	44,253	20,867	1,062	66,182	1,407	2.2		
2000	43,208	20,655	912	64,775	520	0.8		
1999	43,052	20,480	723	64,255	2,995	4.9		
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 2008 the data sources was the Arkansas Highway and Transportation Department.



Fayetteville Shale Production Summaries ¹

December 31, 2008

County	Active	Shut In	Inactive	Temporarily Abandon	Plugged and Abandon	Total Wells
Cleburne	58	17	0	0	0	75
Conway	310	10	0	0	0	320
Faulkner	88	5	0	0	0	93
Franklin	11	0	1	0	0	12
Independence	11	0	0	0	0	11
Jackson	3	0	0	0	0	3
Johnson	1	0	0	0	0	1
Pope	22	2	0	0	0	24
Van Buren	472	19	0	0	0	491
White	392	36	1	2	0	431
Woodruff	0	2	0	0	0	2
Total	1368	91	2	2	0	1463

Lifetime Production of Wells as of December 30, 2008

County	Number of Wells *	MCF**	Estimated Value***
Cleburne	58	11,607,506	\$81,252,542
Conway	305	108,564,736	\$759,953,152
Faulkner	86	22,904,996	\$160,334,972
Franklin	14	767,902	\$5,375,314
Independence	7	302,824	\$2,119,768
Jackson	4	292,148	\$2,045,036
Johnson	4	89,271	\$624,897
Pope	24	2,228,033	\$15,596,231
Van Buren	454	136,439,797	\$955,078,579
White	366	96,472,338	\$675,306,366
Total	1322	379,669,551	\$2,657,686,857

* Number of wells in production

** MCF = 1,000 cubic feet

*** Estimated value at an average of \$7.00 per MCF

2008 Production Through November By County

County	MCF Production	Value
Cleburne	7,673,224	\$63,457,562
Conway	67,800,384	560,709,176
Faulkner	10,986,807	90,860,894
Franklin	155,686	1,287,523
Independence	179,401	1,483,646
Jackson	282,224	2,333,992
Johnson	57,333	474,144
Pope	1,543,334	12,763,372
Van Buren	86,449,612	714,938,291
White	65,388,563	540,763,416
Total	240,516,568	\$1,966,484,953 *

* Value Base on Average of \$8.27 per MCF for 2008

2008 Monthly Production and Estimated Value

Date	# of Wells	MCF	Price*	Estimated Value
January	649	14,243,936	\$6.99	\$99,565,113
February	706	14,944,123	7.55	112,828,129
March	757	18,168,173	8.29	150,614,154
April	808	18,623,659	8.94	166,495,511
May	871	20,368,348	9.81	199,813,494
June	916	21,183,854	10.82	229,209,300
July	980	23,494,119	10.62	249,507,544
August	1053	25,047,940	8.32	208,398,861
September	1117	26,763,483	7.27	194,570,521
October	1164	28,561,785	6.36	181,652,953
November	1214	29,117,148	5.97	173,829,374
December	1298	32,606,032	5.81	189,441,046
Total	273,122,600	\$8.06 **	\$2,155,925,999	

*Wellhead Price Published BY US Government Energy Administration

** Average for 2008

¹ Data source is the Arkansas Oil and Gas Commission

Number of Gas Wells By Severance Tax Rates Effective January 1, 2009*

<u>Classification</u>	<u>Rate*</u>	<u>Number of Wells</u>
Marginal Production Wells ¹	1.25%	2845
New Discovery Wells for 24 months ²	1.50%	198
High Cost Wells for 36 Months ³	1.50%	1605
Full Rate ⁴	5.00%	825

1 A well not capable of producing a specified quantity of gas per day based on the well classification

2 Conventional wells first twenty-four months of production

3. High cost wells first 36 months of production, may be extended for up to 12 month if costs are not recovered.

4. Wells that the lower rates by classification two and three above has expired

* The tax rate is effective January 1, 2009 but the classification of wells is retroactive to January 1, 2006, for example, a high cost well that began production by January 1, 2006 the tax rate would be 5%.

Agriculture Production In Faulkner County

Crop	Income From Production Sold*										Percent Change 2007-2008
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*	
Beef**	\$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	\$12,000,000	-25.00
Greenhouses	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	5,000,000	-16.67
Dairy	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	3,332,000	-10.53
Rice	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	1,890,000	-30.95
Soybeans	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	3,325,000	39.71
Corn	33,000	53,865	92,400	108,000	303,750	338,000	220,000	348,000	1,026,000	960,000	-6.43
Forestry	1,500,000	1,350,000	500,000	700,000	650,000	600,000	700,000	500,000	600,000	600,000	0.00
Wheat	614,800	614,800	390,000	435,000	250,000	502,500	300,000	306,000	360,000	605,000	68.06
Fruits & Vegetables	750,000	800,000	800,000	750,000	800,000	900,000	800,000	700,000	200,000	500,000	150.00
Hay***	3,000,000	5,400,000	3,900,000	500,000	600,000	600,000	100,000	130,000	150,000	1,600,000	966.67
Hogs	82,500	95,000	30,000	25,000	25,000	35,000	45,000	40,000	25,000	100,800	303.20
Silage	300,000	250,000	0	240,000	429,000	250,000	225,000	93,000	0	0	
Grain Sorghum	6,000	0	0	0	0	0	0	0	0	0	
Total	\$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	\$29,912,800	-9.91
Percent Change		9.02%	-19.86%	-8.71%	9.83%	-1.42%	0.01%	-6.37%	9.18%	-9.91%	

*Value of products not sold but produced and consumed on farms = \$3,200,000.

** 12th in the state for beef cattle production. Herds have been liquidated due to population growth

***Only 30% of production is sold resulting in \$1,600,000 income from sale of hay. Remainder is fed to beef and dairy cattle.

Gross Production, Not Necessarily Sold

	Number of Acres or Head In Production		Total Yield		Percent Change In Yield	Yield Rate		Percent Change In Yield Rate 2007-2008		
	2007	2008	2007	2008		2007	2008			
	Rice	2,800	2,800	476,000	420,000	Bushels	13.33	170	150	Bushels/Acre
Soybeans	10,000	10,000	280,000	350,000	Bushels	-20.00	28	35	Bushels/Acre	20.00
Corn	18,000	1,200	270,000	192,000	Bushels	40.63	150	160	Bushels/Acre	6.25
Hay	40,000	40,000	120,000	240,000	Bales	-50.00	3	6	Bales/Acre	50.00
Wheat	2,000	2,000	80,000	110,000	Bushels	-27.27	60	55	Bushels/Acre	-9.09
Beef**	25,000	23,000	33,000	30,000	Head Sold	10.00				
Hogs	100	120	1,000	1,680	Head Sold	-40.48				
Dairy # Head	1,400	1,400	19,600,000	19,600,000	Pounds	0.00	14,000	14,000	Lbs. per cow	0.00

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

The Economic Impact of Tourism in Arkansas and Faulkner County

Total Travel Expenditures

											% Increase		Ten Year Increase	
	1998	1999	2000	2001	2002	2003	2004	2005	2006*	2007**	From 2006	Amount	Percent	
State	\$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	\$5,108,407,442	\$5,368,936,221	5.10	\$1,950,136,221	57.04	
Faulkner County	\$47,415,907	\$51,359,657	\$54,061,722	\$54,871,074	\$53,866,263	\$55,510,938	\$62,158,168	\$69,433,523	\$76,646,246	\$82,832,082	8.07	\$35,416,175	74.69	

Visitors(Person Trips)***

State	19,178,000	19,801,000	20,336,000	19,848,000	19,927,000	19,668,000	20,691,000	21,829,000	23,350,238	23,910,644	2.40	4,732,644	24.68
Faulkner County	285,596	301,637	307,364	307,173	294,551	297,915	325,450	352,700	378,754	399,335	5.43	113,739	39.83

Total Travel Expenditure Per Visitor

State	\$178.27	\$182.93	\$188.98	\$192.07	\$196.67	\$200.45	\$205.59	\$212.22	\$218.77	\$224.54	2.64	\$46	25.96
Faulkner County	\$166.02	\$170.27	\$175.89	\$178.63	\$182.88	\$186.33	\$190.99	\$196.86	\$202.36	\$207.43	2.50	\$41	24.94

State Tax Receipts¹

State	\$153,846,000	\$162,999,000	\$172,943,000	\$213,972,000	\$219,778,656	\$220,780,074	\$238,221,700	\$259,424,000	\$266,740,649	\$280,344,422	5.10	\$126,498,422	82.22
Faulkner County	\$2,471,623	\$2,673,368	\$2,822,473	\$3,574,138	\$3,514,613	\$3,616,113	\$4,048,819	\$4,530,565	\$4,653,308	\$5,036,511	8.24	\$2,564,888	103.77

1. Includes Gasoline Tax, Sales Tax, Employee Taxes & Fees

Local Tax Receipts

State	\$64,975,000	\$68,822,000	\$73,020,000	\$78,448,000	\$80,644,357	\$82,792,528	\$89,333,138	\$97,284,000	\$97,005,736	\$101,953,029	5.10	\$36,978,029	56.91
Faulkner County	\$885,578	\$958,909	\$1,009,788	\$984,123	\$968,277	\$1,016,930	\$1,138,383	\$1,272,366	\$1,283,269	\$1,388,238	8.18	\$502,660	56.76

Number Employed

State	47,944	48,723	49,381	57,497	57,612	57,785	59,287	60,917	59,088	59,797	1.20	11,853	24.72
Faulkner County	749	770	778	925	905	919	961	1001	987	1,015	2.84	266	35.51

Payroll of Employees Resulting From Tourism

State	\$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	\$964,356,531	\$1,013,538,714	5.10	\$426,730,714	72.72
Faulkner County	\$8,430,381	\$9,147,505	\$9,622,492	\$12,093,475	\$11,858,533	\$12,198,185	\$13,641,796	\$15,219,001	\$14,333,350	\$15,494,067	8.10	\$7,063,686	83.79

Average Annual Pay of Those Employed By Tourism

State	\$12,239	\$12,787	\$13,386	\$14,649	\$15,029	\$15,078	\$15,857	\$16,806	\$16,321	\$16,950	3.85	\$4,710	38.48
Faulkner County	\$11,256	\$11,880	\$12,368	\$13,074	\$13,103	\$13,273	\$14,195	\$15,204	\$14,522	\$15,265	5.12	\$4,010	35.62

*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				2006				2007				Increase From 1996 Through 2007											
	Firms		Employees		Annual Earnings*		Weekly Earnings		Firms		Employees		Annual Earnings*		Weekly Earnings		Firms		Employees		Annual Earnings*		Weekly Earnings	
	#	#	Amount	Average	#	#	Amount	Average	#	#	Amount	Average	#	%	#	%	Amount	%	Amount	%	Amount	%		
Manufacturing	85	7,302	\$185,079,840	\$487	121	5,238	\$202,157,458	\$742	127	5,127	\$202,547,001	\$759	42	49.4	-2,175	-29.8	\$17,467,161	9.4	\$272	55.9				
Construction	221	2,175	49,064,443	434	351	2,987	94,239,609	607	369	3,006	99,144,847	634	148	67.0	831	38.2	\$50,080,404	102.1	200	46.1				
Transportation & Public Services**	48	524	14,804,120	543	76	693	27,668,637	768	82	870	37,133,231	820	34	70.8	346	66.0	\$22,329,111	150.8	277	51.0				
Wholesale & Retail Trade**	462	6,090	79,829,862	252	526	5,791	128,154,833	426	541	5,906	138,681,162	601	79	17.1	-184	-3.0	\$58,851,300	73.7	349	138.5				
Information					40	356	11,864,891	641	43	390	14,067,560	694												
Financial, Insurance & Real Estate	118	686	16,388,035	459	293	1,401	44,992,693	618	319	1,473	49,785,226	650	201	170.3	787	114.7	\$33,397,191	203.8	191	41.6				
Services:																								
Professional & Business Services					325	5,254	260,948,309	955	347	5,286	268,876,396	978												
Educational & Health Services					311	5,211	158,186,765	584	342	5,518	169,547,514	591												
Leisure & Hospitality Services					189	3,815	39,031,579	197	194	3,931	42,322,467	207												
Other Services					135	572	12,195,486	410	144	597	13,110,320	422												
Total Services	476	6,683	150,952,950	434	960	14,852	470,362,139	593	1,027	15,332	493,856,697	619	551	115.8	8,649	129.4	\$342,903,747	227.2	185	42.6				
Government	52	4,570	110,680,667	466	60	6,160	203,348,554	635	60	6,433	217,693,127	653	8	15.4	1,863	40.8	\$107,012,460	96.7	187	40.2				
Natural Resources					18	191	10,358,287	1,043	28	647	42,170,319	1,253												
Other	29	164	3,095,315	332																				
Total	1,491	28,191	\$609,576,921	\$416	2,443	37,668	\$1,193,147,101	\$609	2,596	39,184	\$1,295,079,170	\$636	1,105	74.1	10,993	39.0	\$685,502,249	112.5	\$220	52.9				
Average Annual Earnings			\$22,762				\$31,675				\$33,051						\$10,289	45.2						

* Earnings Include Fringe Benefits

** Starting in 2005, Transportation, Public Services, and Wholesale & Retail Trade data were given as combined figures.

Data Source: Arkansas Employment & Security Division