

City of England, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ENGLAND, ARKANSAS
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Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



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

Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of England, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of England, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street 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 Street 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, street fund, and other funds in the aggregate of the City of England, 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 street 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, street fund, and other funds in the aggregate of the City of England, 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 Regulatory Basis Financial Statements section of our report. We are required to be independent of the City, 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 City 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.

Emphases of Matter

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

As discussed in Note 1 to the financial statements, the City would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. 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 City'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 City'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 City'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 July 19, 2023, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas
July 19, 2023
LOM103122



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



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Legislative Auditor

Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

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

City of England, Arkansas Officials and Council 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, street fund, and other funds in the aggregate of City of England, Arkansas (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated July 19, 2023. We issued an adverse opinion because the financial statements are prepared by the City 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, street 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 City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2022-1, that we consider to be a material weakness.

2022-1 Arkansas Code requires City management to maintain financial records. The financial records contained omissions/errors that are considered material as specified below:

The General Fund financial records contained misstatements in assets, liabilities, fund balance, revenue, expenditures, and note disclosures in the amounts of \$7,655, \$6,055, \$283,937, \$7,601, \$277,827, and \$291,538, respectively, due to posting errors.

The effect of these omissions/errors constitutes a control deficiency in the process of preparing financial records. City Management should implement procedures to ensure financial records are properly recorded.

The Recorder/Treasurer concurred with the above recommendations and approved appropriate entries to the City's financial records.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 result of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Report on Internal Control over Financial Reporting section as item 2022-1

We also reported to management of the City in a separate letter dated July 19, 2023.

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described previously. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to described 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
July 19, 2023

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

MANAGEMENT LETTER

City of England, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2022:

Mayor: Butch House
Recorder/Treasurer: Christina Peebles - Nutz
District Court Clerk: Kala Oliver
Police Chief/Marshal: Bill Duerson

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

Other Issue

An unauthorized withdrawal of \$4,600 was made from the City's bank account on September 27, 2022. City personnel discovered the unauthorized withdrawal upon reconciliation of the affected bank account, and the funds were recovered from the bank on October 11, 2022.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City 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 dark ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
July 19, 2023

CITY OF ENGLAND, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,007,980	\$ 816,242	\$ 1,575,538
Accounts receivable	248,577	1,774	59,592
Interfund receivables	20,230		7,980
	<u>1,276,787</u>	<u>818,016</u>	<u>1,643,110</u>
TOTAL ASSETS	<u>\$ 1,276,787</u>	<u>\$ 818,016</u>	<u>\$ 1,643,110</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 57,944	\$ 4,362	\$ 62,036
Interfund payables	7,980	4,759	15,471
Settlements pending			14,258
Total Liabilities	<u>65,924</u>	<u>9,121</u>	<u>91,765</u>
Fund Balances:			
Restricted		808,895	315,857
Assigned			1,235,488
Unassigned	1,210,863		
Total Fund Balances	<u>1,210,863</u>	<u>808,895</u>	<u>1,551,345</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,276,787</u>	<u>\$ 818,016</u>	<u>\$ 1,643,110</u>

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

CITY OF ENGLAND, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 169,248	\$ 213,856	\$ 20,344
Federal aid	3,000		278,553
Property taxes	108,266	20,580	8,640
Franchise fees	107,879		
Sales taxes	652,720		742,144
Fines, forfeitures, and costs	80,416		8,434
Interest	6,394	5,240	10,358
Local permits and fees	5,147		63,542
Sanitation fees	162,366		
Mosquito fees	71,320		
Jail fees	25,976		
Reimbursement law enforcement	10,528		
Rental income			11,337
Insurance proceeds		53,810	
Other	30,633	1,727	20,377
TOTAL REVENUES	1,433,893	295,213	1,163,729
EXPENDITURES			
Current:			
General government	386,965		18,821
Law enforcement	850,792		4,265
Highways and streets		241,925	
Public safety			56,274
Sanitation	138,873		
Health	40,733		
Recreation and culture			424,413
Water and sewer			437,176
Total Current	1,417,363	241,925	940,949
Debt Service:			
Bond principal			300,000
Bond interest and other charges			18,257
Note principal	22,815		
Note interest	1,627		
Line of credit principal			50,815
Line of credit interest			35
TOTAL EXPENDITURES	1,441,805	241,925	1,310,056

CITY OF ENGLAND, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (7,912)</u>	<u>\$ 53,288</u>	<u>\$ (146,327)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			328,220
Transfers out			(328,220)
Line of credit proceeds			50,815
Loan proceeds	<u>84,000</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>84,000</u>		<u>50,815</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	76,088	53,288	(95,512)
FUND BALANCES - JANUARY 1	<u>1,134,775</u>	<u>755,607</u>	<u>1,646,857</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,210,863</u></u>	<u><u>\$ 808,895</u></u>	<u><u>\$ 1,551,345</u></u>

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

CITY OF ENGLAND, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 98,000	\$ 169,248	\$ 71,248	\$ 211,000	\$ 213,856	\$ 2,856
Federal aid		3,000	3,000			
Property taxes	84,000	108,266	24,266	15,000	20,580	5,580
Franchise fees	117,000	107,879	(9,121)			
Sales taxes	590,000	652,720	62,720			
Fines, forfeitures, and costs	143,000	80,416	(62,584)			
Interest	1,500	6,394	4,894	600	5,240	4,640
Local permits and fees	5,500	5,147	(353)			
Sanitation fees	175,000	162,366	(12,634)			
Mosquito fees	79,000	71,320	(7,680)			
Jail fees	50,000	25,976	(24,024)			
Reimbursement law enforcement	36,000	10,528	(25,472)			
Insurance proceeds					53,810	53,810
Other	332,800	30,633	(302,167)	1,000	1,727	727
TOTAL REVENUES	1,711,800	1,433,893	(277,907)	227,600	295,213	67,613
EXPENDITURES						
Current:						
General government	1,008,934	386,965	621,969			
Law enforcement	856,042	850,792	5,250			
Highways and streets				255,287	241,925	13,362
Sanitation	152,653	138,873	13,780			
Health	40,733	40,733	0			
Total Current	2,058,362	1,417,363	640,999	255,287	241,925	13,362
Debt Service:						
Note principal		22,815	(22,815)			
Note interest		1,627	(1,627)			
TOTAL EXPENDITURES	2,058,362	1,441,805	616,557	255,287	241,925	13,362
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(346,562)	(7,912)	338,650	(27,687)	53,288	80,975
OTHER FINANCING SOURCES (USES)						
Loan proceeds		84,000	84,000			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(346,562)	76,088	422,650	(27,687)	53,288	80,975
FUND BALANCES - JANUARY 1		1,134,775	1,134,775		755,607	755,607
FUND BALANCES - DECEMBER 31	\$ (346,562)	\$ 1,210,863	\$ 1,557,425	\$ (27,687)	\$ 808,895	\$ 836,582

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

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of England was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Water and Sewer Fund. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

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 street 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 the actual expenditures for the general and street 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.

Street Fund - The Street 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 Street Fund accounts for and reports the proceeds of state highway turnback and property taxes that are restricted or committed for maintaining and constructing highways and streets.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street 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.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for the Debt Service Fund 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 the Custodial Fund as reported with other funds in the aggregate.

CITY OF ENGLAND, 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. 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 a part of supplementary information in order to provide users 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 City 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 and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures and costs 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. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed.
3. 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. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds.

G. Fund Balance Classification Policies and Procedures

The Municipality's highest level of decision-making authority is its City Council. 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 City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality 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 Municipality 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.

There were no committed fund balances at year-end.

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)	\$ 561,344	\$ 561,344
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	2,838,416	2,848,496
Total Deposits	<u>\$ 3,399,760</u>	<u>\$ 3,409,840</u>

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 4: Accounts Receivable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid	\$ 100,000		
Property taxes	9,339	\$ 1,774	\$ 746
Franchise fees	36,074		
Sales taxes	54,151		53,032
Fines, forfeitures, and costs	6,145		
Interest			538
Local permits and fees			2,141
Sanitation fees	29,729		
Mosquito fees	13,020		
Other	119		3,135
Totals	<u>\$ 248,577</u>	<u>\$ 1,774</u>	<u>\$ 59,592</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 33,374	\$ 4,362	\$ 62,036
Salaries payable	24,570		
Totals	<u>\$ 57,944</u>	<u>\$ 4,362</u>	<u>\$ 62,036</u>

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2022	
	Interfund Receivables	Interfund Payables
General Fund	\$ 20,230	\$ 7,980
Street Fund		4,759
Other Funds in the Aggregate:		
Special Revenue Funds:		
Criminal Justice	204	
City Sales Tax	6,630	15,471
Small Claims Court Cost	153	
Court Automation	264	
American Rescue Plan Act	729	
Totals	<u>\$ 28,210</u>	<u>\$ 28,210</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances were repaid in January and February 2023.

NOTE 7: Details of Fund Balance Classifications

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 179,214
Law enforcement			48,245
Highways and streets		\$ 808,895	
Debt service			88,398
Total Restricted		<u>808,895</u>	<u>315,857</u>
Assigned to:			
Public safety			119,375
Recreation and culture			1,116,113
Total Assigned			<u>1,235,488</u>
Unassigned	<u>\$ 1,210,863</u>		
Totals	<u>\$ 1,210,863</u>	<u>\$ 808,895</u>	<u>\$ 1,551,345</u>

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% 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 the bonded debt was \$4,233,182. There were no property tax secured bond issues.

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8: Legal Debt Limit (Continued)

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2022, the legal debt limit for short-term financing obligations was \$1,123,935. The amount of short-term financing obligations was \$61,185 leaving a legal debt margin of \$1,062,750.

NOTE 9: Commitments

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

	December 31, 2022
Long-term liabilities	<u>\$ 189,169</u>
<u>Long-term liabilities</u>	
Long-term liabilities at December 31, 2022, are comprised of the following:	
	December 31, 2022
<u>Bonds</u>	
2006 Sales and Use Tax Bonds, dated November 1, 2006, in the amount of \$3,000,000, due in annual installments of \$55,000 - \$260,000; interest rates of 3.75% to 4.70% through December 1, 2023; payable from the 2006 Sales and Use Tax Bond Fund.	\$ 100,000
<u>Direct Borrowings</u>	
Promissory note, dated December 2, 2021, with Bank of England in the amount of \$84,000 for the purchase of two police cars; 36 monthly payments of \$2,439 at 2.850% interest. Payments are to be made from the General Fund.	61,185
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	<u>27,984</u>
Total Long-term liabilities	<u>\$ 189,169</u>

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

The City's outstanding bonds payable of \$100,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding note from direct borrowings of \$61,185 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable.

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9: 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>Bonds</u>					
11/1/06	12/1/23	3.75-4.70%	\$ 3,000,000	\$ 100,000	\$ 2,900,000
<u>Direct Borrowings</u>					
12/2/21	3/25/25	2.85%	84,000	61,185	22,815
Total Long-Term Debt			<u>\$ 3,084,000</u>	<u>\$ 161,185</u>	<u>\$ 2,922,815</u>

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 400,000	\$ 0	\$ 300,000	\$ 100,000
<u>Direct Borrowings</u>				
Notes payable	84,000	0	22,815	61,185
Line of credit	0	50,815	50,815	0
Total Direct Borrowings	<u>84,000</u>	<u>50,815</u>	<u>73,630</u>	<u>61,185</u>
Total Long-Term Debt	<u>\$ 484,000</u>	<u>\$ 50,815</u>	<u>\$ 373,630</u>	<u>\$ 161,185</u>

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 100,000	\$ 1,500	\$ 101,500	\$ 27,819	\$ 1,454	\$ 29,273
2024				28,620	653	29,273
2025				4,746	35	4,781
Totals	<u>\$ 100,000</u>	<u>\$ 1,500</u>	<u>\$ 101,500</u>	<u>\$ 61,185</u>	<u>\$ 2,142</u>	<u>\$ 63,327</u>

NOTE 10: Interfund Transfers

Within the Other Funds in the Aggregate, \$328,220 of excess sales tax funds were transferred from the 2006 Sales and Use Tax Bond Fund to the City Sales Tax Fund for health and fitness center expenditures.

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11: Pledged Revenues

The City pledged future 2% sales and use taxes to repay \$3,000,000 in bonds that were issued in 2006 to provide funding for financing a portion of the cost of improvements. The improvements include particularly, without limitation, a health and fitness center, a basketball court, aerobics facilities, swimming facilities, fitness equipment, parking, landscaping, drainage, and lighting improvements. Total principal and interest remaining on the bonds are \$100,000 and \$1,500, respectively, payable through December 1, 2023. For 2022, principal and interest paid were \$300,000 and \$18,257, respectively.

The Debt Service Fund received \$658,061 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for the operation and maintenance of the health and fitness center and its programs.

NOTE 12: Jointly Governed Organization: Central Arkansas Regional Solid Waste Management District

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Central Arkansas Regional Solid Waste Management District and Board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in the Arkansas Counties of Lonoke, Prairie, and Monroe. The District's board of directors is composed in accordance with the requirements of the Act and is comprised of representatives of the Counties in the District and representatives of all first class cities, of all cities with a population over 2,000, and of the largest city of each county in the District. The City made no contributions to or disbursements on behalf of the Central Arkansas Regional Solid Waste Management District in 2022. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 902 N. Center, Lonoke, Arkansas, 72086.

NOTE 13: Risk Management

The City 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 City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

Municipal Vehicle Program

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 13: Risk Management (Continued)

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first \$3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City 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 Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

**NOTE 14: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan 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 Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3rd, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website www.lopfi-prb.com.

On September 10, 2014, administration of the City of England Firemen's Pension and Relief Fund and the City of England Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$7,754 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$12,107 for the year ended December 31, 2022.

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 City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2022, (actuarial valuation date and measurement date) was \$142,761.

CITY OF ENGLAND, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. 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 City's contribution to the plan was \$124,042 for the year ended June 30, 2022.

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 City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2022, (actuarial valuation date and measurement date) was \$1,044,449.

NOTE 16: City Attorney Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-120 establishes retirement benefits for city attorneys in cities of the first class at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the city attorney at the time of retirement. Retirement benefits are to be paid monthly from the City's General Fund. A city attorney may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former City Attorney William Reed \$9,000 for the year ended December 31, 2022.

NOTE 17: 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 City was awarded \$557,109 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$557,109 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

CITY OF ENGLAND, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS						
	Criminal Justice	City Sales Tax	Small Claims Court Cost	Drug Control	England Housing Authority	Court Automation	American Rescue Plan Act
ASSETS							
Cash and cash equivalents	\$ 16,627	\$ 1,222,976	\$ 17,239	\$ 6,521	\$ 59,316	\$ 7,237	\$ 170,020
Accounts receivable		32,538					
Interfund receivables	204	6,630	153			264	729
TOTAL ASSETS	<u>\$ 16,831</u>	<u>\$ 1,262,144</u>	<u>\$ 17,392</u>	<u>\$ 6,521</u>	<u>\$ 59,316</u>	<u>\$ 7,501</u>	<u>\$ 170,749</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$ 11,185					\$ 50,851
Interfund payables		15,471					
Settlements pending							
Total Liabilities		<u>26,656</u>					<u>50,851</u>
Fund Balances:							
Restricted	\$ 16,831		\$ 17,392	\$ 6,521	\$ 59,316	\$ 7,501	119,898
Assigned		1,235,488					
Total Fund Balances	<u>16,831</u>	<u>1,235,488</u>	<u>17,392</u>	<u>6,521</u>	<u>59,316</u>	<u>7,501</u>	<u>119,898</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,831</u>	<u>\$ 1,262,144</u>	<u>\$ 17,392</u>	<u>\$ 6,521</u>	<u>\$ 59,316</u>	<u>\$ 7,501</u>	<u>\$ 170,749</u>

CITY OF ENGLAND, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	DEBT SERVICE FUND	CUSTODIAL FUND	
	2006 Sales & Use Tax Bond	Lonoke County District Court	Totals
ASSETS			
Cash and cash equivalents	\$ 61,344	\$ 14,258	\$ 1,575,538
Accounts receivable	27,054		59,592
Interfund receivables			7,980
TOTAL ASSETS	<u>\$ 88,398</u>	<u>\$ 14,258</u>	<u>\$ 1,643,110</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable			\$ 62,036
Interfund payables			15,471
Settlements pending		\$ 14,258	14,258
Total Liabilities		<u>14,258</u>	<u>91,765</u>
Fund Balances:			
Restricted	\$ 88,398		315,857
Assigned			1,235,488
Total Fund Balances	<u>88,398</u>		<u>1,551,345</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 88,398</u>	<u>\$ 14,258</u>	<u>\$ 1,643,110</u>

CITY OF ENGLAND, 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							
	Criminal Justice	City Sales Tax	Small Claims Court Cost	Drug Control	Health and Recreation	England Housing Authority	Court Automation	American Rescue Plan Act
REVENUES								
State aid		\$ 20,344						
Federal aid								\$ 278,553
Property taxes		8,640						
Sales taxes		84,083						
Fines, forfeitures, and costs	\$ 2,454		\$ 1,840				\$ 4,140	
Interest	106	7,994	110					
Local permits and fees		63,542						
Rental income						\$ 11,337		
Other		20,377						
TOTAL REVENUES	2,560	204,980	1,950			11,337	4,140	278,553
EXPENDITURES								
Current:								
General government		8,940				9,881		
Law enforcement	3,320			\$ 373			572	
Public safety		56,274			\$ 48			
Recreation and culture		424,365						437,176
Water and sewer								
Total Current	3,320	489,579		373	48	9,881	572	437,176
Debt Service:								
Bond principal								
Bond interest and other charges								
Line of credit principal								50,815
Line of credit interest								35
TOTAL EXPENDITURES	3,320	489,579		373	48	9,881	572	488,026
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(760)	(284,599)	1,950	(373)	(48)	1,456	3,568	(209,473)
OTHER FINANCING SOURCES (USES)								
Transfers in		328,220						
Transfers out								
Line of credit proceeds								50,815
TOTAL OTHER FINANCING SOURCES (USES)		328,220						50,815
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(760)	43,621	1,950	(373)	(48)	1,456	3,568	(158,658)
FUND BALANCES - JANUARY 1	17,591	1,191,867	15,442	6,894	48	57,860	3,933	278,556
FUND BALANCES - DECEMBER 31	\$ 16,831	\$ 1,235,488	\$ 17,392	\$ 6,521	\$ 0	\$ 59,316	\$ 7,501	\$ 119,898

CITY OF ENGLAND, 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

	DEBT SERVICE FUND	
	2006 Sales & Use Tax Bond	Totals
REVENUES		
State aid		\$ 20,344
Federal aid		278,553
Property taxes		8,640
Sales taxes	\$ 658,061	742,144
Fines, forfeitures, and costs		8,434
Interest	2,148	10,358
Local permits and fees		63,542
Rental income		11,337
Other		20,377
TOTAL REVENUES	660,209	1,163,729
EXPENDITURES		
Current:		
General government		18,821
Law enforcement		4,265
Public safety		56,274
Recreation and culture		424,413
Water and sewer		437,176
Total Current		940,949
Debt Service:		
Bond principal	300,000	300,000
Bond interest and other charges	18,257	18,257
Line of credit principal		50,815
Line of credit interest		35
TOTAL EXPENDITURES	318,257	1,310,056
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	341,952	(146,327)
OTHER FINANCING SOURCES (USES)		
Transfers in		328,220
Transfers out	(328,220)	(328,220)
Line of credit proceeds		50,815
TOTAL OTHER FINANCING SOURCES (USES)	(328,220)	50,815
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	13,732	(95,512)
FUND BALANCES - JANUARY 1	74,666	1,646,857
FUND BALANCES - DECEMBER 31	\$ 88,398	\$ 1,551,345

CITY OF ENGLAND, 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>
Criminal Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
City Sales Tax	England Ordinance no. 2004-03 (April 5, 2004) established fund to account for the collection of a one percent sales tax that is to be distributed to the General Fund 75%, Fire Department 15%, and Municipal Park Development and Maintenance 10%.
Small Claims Court Cost	Ark. Code Ann. § 16-17-707 established account to receive fees relating to small claims and civil case filings.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Health and Recreation	Originally established to account for the construction of a health and recreation center. Remaining funds left after the construction are being used for operation and maintenance of the health and recreation center.
England Housing Authority	Established to collect rental on the Housing Authority property to be disbursed for allowable activities such as management fees, maintenance, insurance, deposits, taxes, or other related expenses per the Arkansas Development Finance Authority (ADFA).
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
2006 Sales & Use Tax Bond	England Ordinance no. 2006-13 (October 12, 2006) established fund to account for the collection of two one percent sales and use taxes as authorized by England Ordinance nos. 2006-09 (June 12, 2006) and 2006-11 (June 12, 2006). These sales taxes are to be used for the retirement of the 2006 Capital Improvement Bonds with any additional funds being transferred to the City Sales Tax Fund.
Lonoke County District Court	Ark. Code Ann. §§ 16-10-204, 16-17-707 established account to receive fines, forfeitures, and costs collected by the district court and small claims and civil case filings.

CITY OF ENGLAND, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2022
(Unaudited)

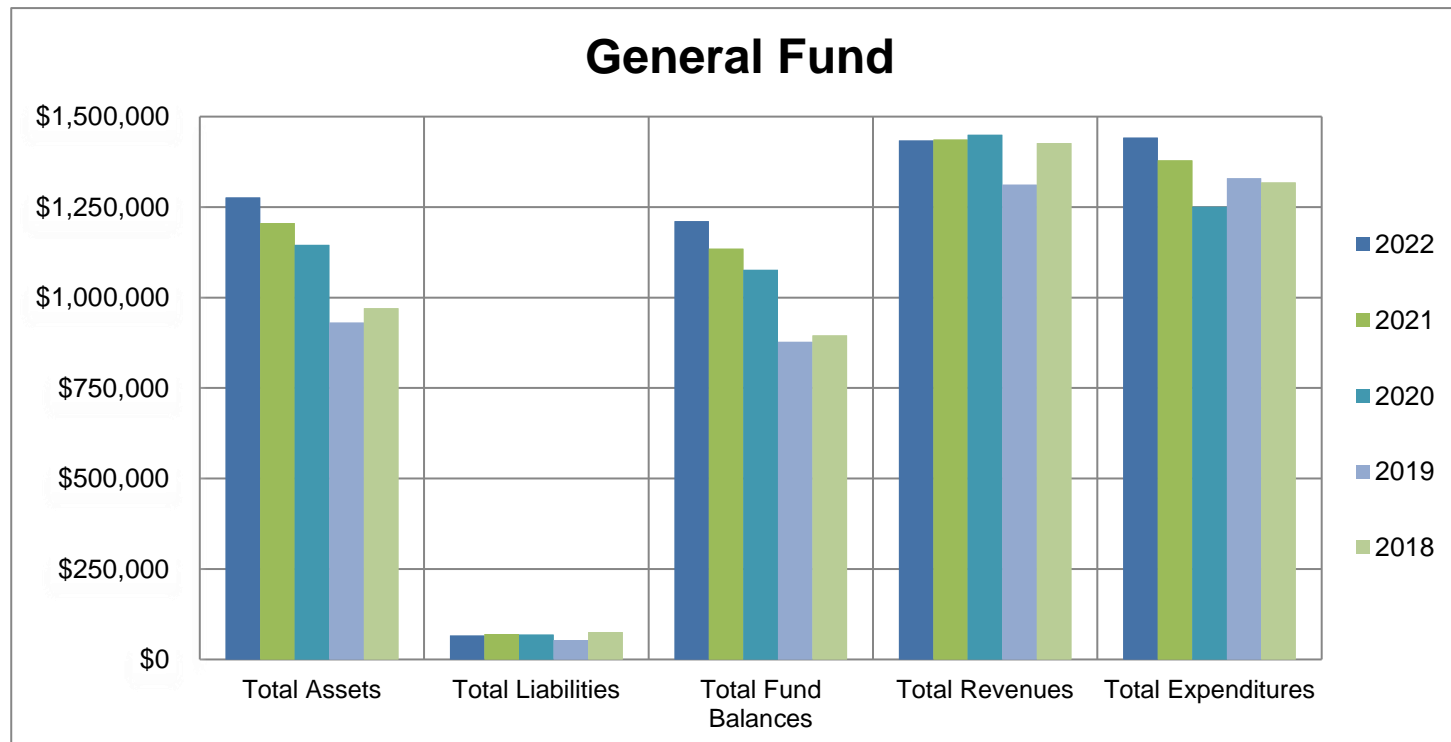
Schedule 3

	December 31, 2022
Land	\$ 583,519
Buildings	4,829,284
Equipment	<u>1,929,309</u>
Total	<u><u>\$ 7,342,112</u></u>

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

Schedule 4-1

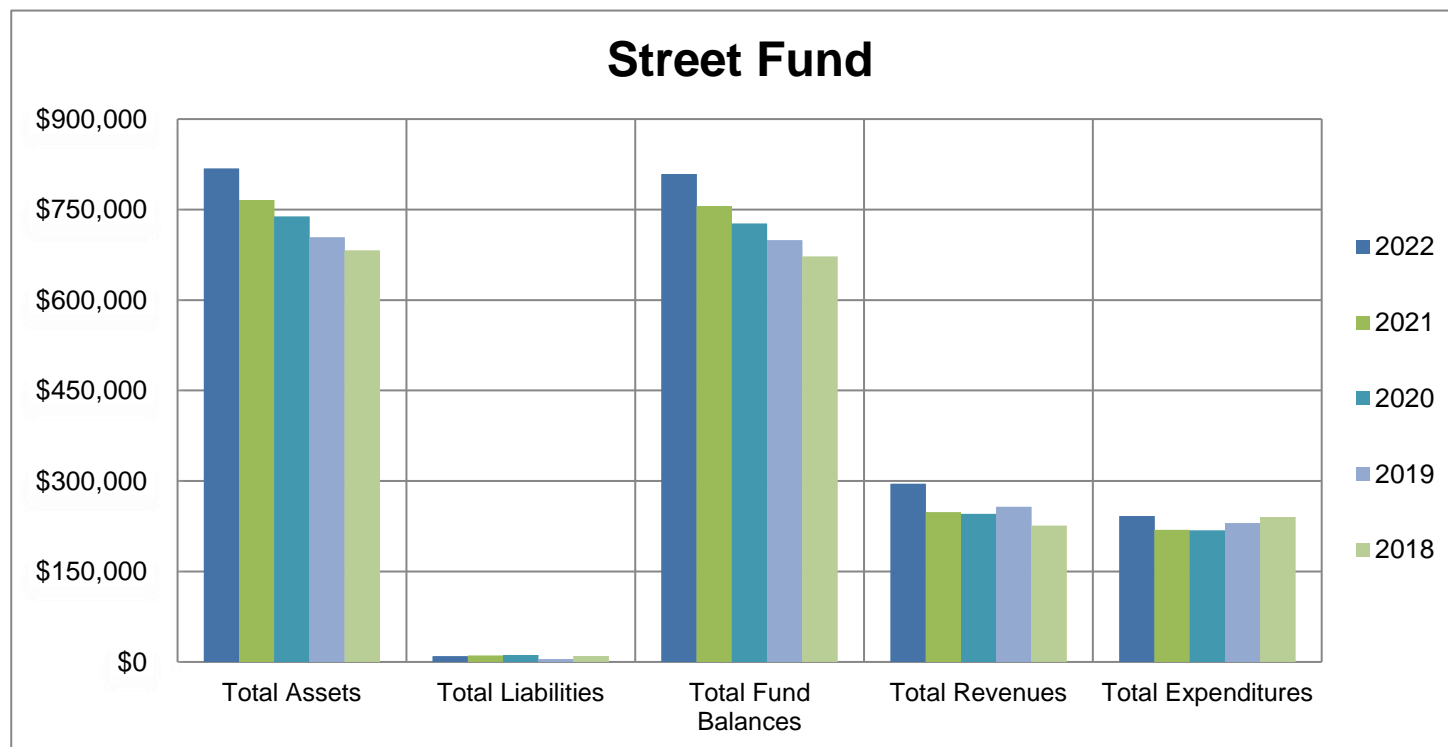
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 1,276,787	\$ 1,205,317	\$ 1,145,426	\$ 930,507	\$ 970,935
Total Liabilities	65,924	70,542	68,810	53,256	75,274
Total Fund Balances	1,210,863	1,134,775	1,076,616	877,251	895,661
Total Revenues	1,433,893	1,436,789	1,450,147	1,311,479	1,426,666
Total Expenditures	1,441,805	1,378,630	1,250,782	1,329,889	1,317,666
Total Other Financing Sources/Uses	84,000				



CITY OF ENGLAND, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2022
(Unaudited)

Schedule 4-2

<u>Street</u>	2022	2021	2020	2019	2018
Total Assets	\$ 818,016	\$ 766,023	\$ 738,166	\$ 703,709	\$ 682,017
Total Liabilities	9,121	10,416	11,493	4,677	9,874
Total Fund Balances	808,895	755,607	726,673	699,032	672,143
Total Revenues	295,213	247,854	245,329	256,815	225,935
Total Expenditures	241,925	218,920	217,688	229,926	239,960



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

Schedule 4-3

Other Funds in the Aggregate	2022	2021	2020	2019	2018
Total Assets	\$ 1,643,110	\$ 1,698,741	\$ 1,415,074	\$ 1,490,138	\$ 1,560,853
Total Liabilities	91,765	51,884	56,409	136,979	86,339
Total Fund Balances	1,551,345	1,646,857	1,358,665	1,353,159	1,474,514
Total Revenues	1,163,729	1,349,154	917,345	767,969	736,529
Total Expenditures	1,310,056	845,462	911,839	957,103	746,540
Total Other Financing Sources/Uses	50,815	(215,500)			

