

City of Ozark, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF OZARK, ARKANSAS
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Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Ozark, 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 Ozark, 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, 2023, the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis, and the Statement of Revenues, Expenditures, and Changes in Fund Balances – 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 Ozark, Arkansas as of December 31, 2023; the regulatory basis revenues, expenditures, and changes in fund balance; 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 Ozark, Arkansas, as of December 31, 2023, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

Emphasis of 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

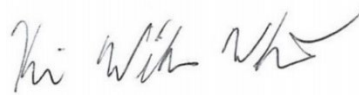
Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on 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 October 31, 2024, 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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 31, 2024
LOM107123

Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

City of Ozark, 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 Ozark, Arkansas (City), as of and for the year ended December 31, 2023, 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 October 31, 2024. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

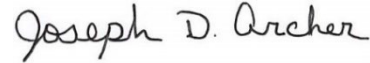
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the City in a separate letter dated October 31, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 31, 2024

Arkansas



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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2023:

Mayor: Roxie Hall
Treasurer: Marla Ward
City Clerk: Susan Stevens
Police Chief: Devin Bramlett

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

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the 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 cursive script that reads "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 31, 2024

CITY OF OZARK, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 4,086,565	\$ 77,908	\$ 1,509,121
Accounts receivable	221,979		110,861
TOTAL ASSETS	<u>\$ 4,308,544</u>	<u>\$ 77,908</u>	<u>\$ 1,619,982</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 51,981	\$ 3,030	\$ 1,190
Settlements pending			844
Total Liabilities	<u>51,981</u>	<u>3,030</u>	<u>2,034</u>
Fund Balances:			
Restricted			1,617,948
Assigned	72,504	74,878	
Unassigned	4,184,059		
Total Fund Balances	<u>4,256,563</u>	<u>74,878</u>	<u>1,617,948</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,308,544</u>	<u>\$ 77,908</u>	<u>\$ 1,619,982</u>

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

CITY OF OZARK, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 66,477	\$ 298,791	\$ 42,582
Federal aid			4,000
Property taxes	292,124	87,305	57,348
Franchise fees	477,959		
Sales taxes	2,011,103		1,242,669
Fines, forfeitures, and costs	220,525		44,013
Interest	50,564	154	41,637
Local permits and fees	23,235		
Sanitation fees	26,000		
Advertising and promotion taxes			195,606
Park fee, rentals, and sales	187,432		
Other	43,971		122
TOTAL REVENUES	3,399,390	386,250	1,627,977
EXPENDITURES			
Current:			
General government	780,937	3,296	
Law enforcement	1,258,755		156,789
Highways and streets		727,174	
Public safety	275,804		20,214
Recreation and culture	377,046	24,998	
Social services	25,000		4,000
Advertising and promotion			126,365
Total Current	2,717,542	755,468	307,368
Debt Service:			
Bond principal			1,010,000
Bond interest and other charges			247,497
TOTAL EXPENDITURES	2,717,542	755,468	1,564,865

CITY OF OZARK, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 681,848	\$ (369,218)	\$ 63,112
OTHER FINANCING SOURCES (USES)			
Transfers in		420,000	
Transfers out	(420,000)		
TOTAL OTHER FINANCING SOURCES (USES)	(420,000)	420,000	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	261,848	50,782	63,112
FUND BALANCES - JANUARY 1	3,994,715	24,096	1,554,836
FUND BALANCES - DECEMBER 31	<u>\$ 4,256,563</u>	<u>\$ 74,878</u>	<u>\$ 1,617,948</u>

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

CITY OF OZARK, 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, 2023

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 129,193	\$ 66,477	\$ (62,716)	\$ 298,791	\$ 298,791	\$ 0
Property taxes	292,124	292,124	0	87,305	87,305	0
Franchise fees	479,248	477,959	(1,289)			
Sales taxes	1,923,146	2,011,103	87,957			
Fines, forfeitures, and costs	195,310	220,525	25,215			
Interest	50,564	50,564	0	154	154	0
Local permits and fees	23,235	23,235	0			
Sanitation fees	26,000	26,000	0			
Park fee, rentals, and sales	189,220	187,432	(1,788)			
Other	63,445	43,971	(19,474)			
TOTAL REVENUES	3,371,485	3,399,390	27,905	386,250	386,250	0
EXPENDITURES						
Current:						
General government	742,329	780,937	(38,608)	3,296	3,296	0
Law enforcement	1,291,015	1,258,755	32,260			
Highways and streets				737,757	727,174	10,583
Public safety	279,106	275,804	3,302			
Recreation and culture	375,335	377,046	(1,711)	24,998	24,998	0
Social services	25,000	25,000	0			
TOTAL EXPENDITURES	2,712,785	2,717,542	(4,757)	766,051	755,468	10,583
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	658,700	681,848	23,148	(379,801)	(369,218)	10,583
OTHER FINANCING SOURCES (USES)						
Transfers in	5,000		(5,000)	420,000	420,000	0
Transfers out	(420,000)	(420,000)	0			
TOTAL OTHER FINANCING SOURCES (USES)	(415,000)	(420,000)	(5,000)	420,000	420,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	243,700	261,848	18,148	40,199	50,782	10,583
FUND BALANCES - JANUARY 1	3,569,893	3,994,715	424,822	40,835	24,096	(16,739)
FUND BALANCES - DECEMBER 31	\$ 3,813,593	\$ 4,256,563	\$ 442,970	\$ 81,034	\$ 74,878	\$ (6,156)

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

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Ozark 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. 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.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for the Capital Projects Fund as reported with other funds in the aggregate.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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 Debt Service Funds as reported with other funds in the aggregate.

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

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.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market 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.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

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.

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.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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)	\$ 750,000	\$ 750,000
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	4,145,521	4,194,860
Uncollateralized	777,973	777,973
Total Deposits	\$ 5,673,494	\$ 5,722,833

The above total deposits do not include cash on hand of \$100.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2023, \$777,973 of the City's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that 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, 2023, is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Franchise fees	\$ 32,066	
Sales taxes	171,250	\$ 94,468
Fines, forfeitures, and costs	17,389	2,507
Advertising and promotion taxes		13,886
Park fee, rentals, and sales	1,274	
Totals	\$ 221,979	\$ 110,861

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2023, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 51,981	\$ 3,030	\$ 1,190

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2023, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
Law enforcement			\$ 174,221
Highways and streets			1
Public safety			139,271
Advertising and promotion			432,013
Capital outlay			132,283
Debt service			740,159
Total Restricted			<u>1,617,948</u>
Assigned to:			
General government	\$ 12,773		
Highways and streets		\$ 74,878	
Public safety	59,731		
Total Assigned	<u>72,504</u>	<u>74,878</u>	
Unassigned	<u>4,184,059</u>		
Totals	<u>\$ 4,256,563</u>	<u>\$ 74,878</u>	<u>\$ 1,617,948</u>

NOTE 7: 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, 2023, the legal debt limit for the bonded debt was \$10,151,479. There were no property tax secured bond issues.

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, 2023, the legal debt limit for short-term financing obligations was \$3,104,612. There were no short-term financing obligations.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2023:

	December 31, 2023
Long-term liabilities	\$ 5,556,549

Long-term liabilities

Long-term liabilities at December 31, 2023, are comprised of the following:

	December 31, 2023
<u>Bonds</u>	
Sales and Use Tax Refunding Series 2016, issued February 29, 2016, in the amount of \$10,000,000 due in 21 annual installments of \$155,000 - \$700,000 plus interest through October 1, 2033; interest at 2.00 to 4.5%. Payments are to be made from the Series 2016 Bond Debt Service Fund.	\$ 5,510,000
<u>Unfunded Liability</u>	
Arkansas District Judge's Retirement unfunded pension liability - based on a 30 year level amortization of unfunded liability of the retirement plan for district judges and court clerk. Payments are made from the General Fund.	14,457
<u>Compensated Absences</u>	
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	32,092
Total Long-term liabilities	\$ 5,556,549

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 \$5,510,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 25% 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.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2023	Maturities to December 31, 2023
<u>Bonds</u>					
2/29/16	10/1/33	2 - 4.5%	\$ 10,000,000	\$ 5,510,000	\$ 4,490,000

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
Bonds payable	\$ 6,520,000	\$ 0	\$ 1,010,000	\$ 5,510,000

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Bonds		
	Principal	Interest	Total
2024	\$ 1,025,000	\$ 110,787	\$ 1,135,787
2025	470,000	172,475	642,475
2026	490,000	153,675	643,675
2027	510,000	134,075	644,075
2028	530,000	113,675	643,675
2029 through 2033	2,485,000	264,975	2,749,975
Totals	\$ 5,510,000	\$ 949,662	\$ 6,459,662

NOTE 9: Interfund Transfers

In 2023, the City transferred \$420,000 from the General Fund to the Street Fund to supplement operations in the Street Fund.

NOTE 10: Pledged Revenues

The City pledged future 1% sales and use taxes to repay \$10,000,000 in bonds that were issued in 2016 for capital improvements. Total principal and interest remaining on the bonds are \$5,510,000 and \$949,662, respectively, payable through October 1, 2033. For 2023, principal and interest paid were \$910,000 and \$240,347, respectively.

The Series 2016 Bond Debt Service Fund received \$1,162,869 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

NOTE 11: Jointly Governed Organizations

West River Valley Solid Waste Management District

Conway, Crawford, Franklin, Johnson, Logan, Perry, Pope, Scott, and Yell Counties and the Cities of Van Buren, Ozark, Atkins, Booneville, Alma, Clarksville, Russellville, Paris, Charleston, Morrilton, Waldron, and Dardanelle entered into an agreement in 1991 to form the West River Valley Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-708. The City provided funding of \$1,550 to the West River Valley Solid Waste Management District in 2023. Separate financial statements may be obtained at: 24087 Highway 164, Clarksville, AR 72830.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11: Jointly Governed Organizations (Continued)

Fifth Judicial District Drug Task Force

The Prosecuting Attorney of the Fifth Judicial District, the Sheriffs' Departments of Franklin, Johnson, and Pope Counties, and the Police Departments of Russellville, Clarksville, and Ozark entered into an agreement to establish the Fifth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fifth Judicial District. Financial statements of the Fifth Judicial District Drug Task are not available. The City did not contribute any funding to the Fifth Judicial District Drug Task Force in 2023.

NOTE 12: Interlocal Agreements

Sebastian County Regional Crisis Stabilization Unit

The City entered into an interlocal agreement dated August 16, 2018, with the counties and cities in the Sebastian County mental health catchment area, including Sebastian, Crawford, Franklin, Logan, Scott, and Polk Counties and all incorporated cities in these counties, concerning the operations of the Sebastian County Regional Crisis Stabilization Unit. This program will be utilized by the counties and cities to divert people who are experiencing a mental health crisis from jail to get the treatment they need, as determined by the medical service provider who is trained to recognize and treat behavioral-health issues. The program shall be maintained by the Sebastian County Judge. State funding of \$1.6 million annually has been allocated for Sebastian County to operate the crisis stabilization unit based upon daily billable services to each individual treated and subject to Medicaid reimbursements and other patient insurance. Sebastian County will initially pay all expenses incurred for operations and management of the program. The counties and cities will participate in a cost sharing agreement based on the cost per day for services for each patient, which will be determined by actual operations expenses. The cost sharing will equitably allocate the unreimbursed cost to each governmental entity participating in the program, after consideration of grant funding and allowable insurance reimbursements. The cost sharing agreement will be based upon the collection of actual operations data in the first year of service, and each year thereafter, as appropriate for annual adjustment. In addition, to defray maintenance and operation costs the counties and cities agree to pay a daily rate of \$5 for services provided each day of care, for the length of stay. Sebastian County had planned to send a monthly itemized bill to each county and city, beginning August 1, 2018, to receive reimbursement for each county and cities equitable share of expenses. However, Sebastian County has not billed the counties or cities for costs as of December 31, 2023.

Franklin County Airport

The City of Ozark and Franklin County Airport entered into a service agreement in 2018 for the City to provide funds to aid in paying utility bills for the Franklin County Airport Commission for their management of the airport in exchange for services the City of Ozark received from the operation of the Franklin County Airport. Funds provided for this service agreement shall be budgeted by the Ozark City Council. The city did not contribute any funding to the Ozark/Franklin County Airport during 2023.

Franklin County District Court – Ozark Division

Franklin County and the City of Ozark entered into an agreement concerning the sharing of costs related to the operation of the Franklin County District Court - Ozark Division. This agreement was entered into on December 1, 2017. The City shall split the cost of all business operations, which shall include salaries, utilities, office related expenses and benefits on a 50% sharing ratio. The City contributed \$150,889 to Franklin County in 2023.

Ozark School District – School Resource Officer

The City of Ozark and the Ozark Public School District entered into an agreement in 2018 concerning the collaborative efforts to provide a safe and healthy school environment for the students, staff, faculty, and visitors. During 2023, the City received \$25,000 in reimbursements from the Ozark Public School District for a portion of School Resource Officer salaries.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: Interlocal Agreements (Continued)

District Court Judge

Franklin County, Johnson County, and the Cities of Clarksville, Lamar, Coal Hill, Ozark, Charleston, and Altus entered into an agreement to provide for a District Judge's annual salary to be paid 50% by the state and the remaining 50% to be paid 28.6% by Johnson County, 29.6% by Clarksville, 4% by Lamar, 4% by Coal Hill, 14.6% by Franklin County, 1.8% by Altus, 12.2% by Ozark, and 5.2% by Charleston. The Judge is an employee of the State of Arkansas and is elected by a four-year term. The City's portion for December 31, 2023 was \$7,115.

Police Department Dispatch Fees

Franklin County and the City of Ozark entered into an agreement concerning the sharing of costs related to the operation of Police Department Dispatch Fees. This agreement was entered into on January 1, 2020. The City contributed \$30,500 to Franklin County in 2023.

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 for 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 OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 December 15, 2018, administration of the City of Ozark Firemen's Pension and Relief Fund and the City of Ozark 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 \$126,515 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$59,914 for the year ended December 31, 2023.

CITY OF OZARK, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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, 2023, (actuarial valuation date and measurement date) was \$1,150,348.

NOTE 15: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses 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 of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayors Vernon McDaniel and Carol Sneath \$18,400 and \$18,127, respectively, for the year ended December 31, 2023.

NOTE 16: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses 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 a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer 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 Clerk/Treasurer Sonya Eveld \$24,157 for the year ended December 31, 2023.

NOTE 17: Retirement System

Plan Description

The City has established a Simple IRA plan for city employees at Edward Jones. All full-time employees have the option to participate in the plan. Monthly contributions are made into each participating individuals IRA account by the City matching employee contributions up to a maximum of 3% of applicable wages. All employees are fully vested at the time the contribution is made.

CITY OF OZARK, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND
	Fire Equipment and Training (Act 833)	Local Police and Fire Retirement (LOPFI)	Criminal Justice	District Court Automation	Advertising and Promotion Commission	USDA Rural Development Grant	Emergency Services Facilities
ASSETS							
Cash and cash equivalents	\$ 139,271	\$ 58,137	\$ 50,471	\$ 64,123	\$ 418,300	\$ 1	\$ 132,283
Accounts receivable		319	1,694	494	13,886		
TOTAL ASSETS	\$ 139,271	\$ 58,456	\$ 52,165	\$ 64,617	\$ 432,186	\$ 1	\$ 132,283
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$ 319	\$ 698		\$ 173		
Settlements pending							
Total Liabilities		319	698		173		
Fund Balances:							
Restricted	\$ 139,271	58,137	51,467	\$ 64,617	432,013	\$ 1	\$ 132,283
TOTAL LIABILITIES AND FUND BALANCES	\$ 139,271	\$ 58,456	\$ 52,165	\$ 64,617	\$ 432,186	\$ 1	\$ 132,283

CITY OF OZARK, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	DEBT SERVICE FUNDS		CUSTODIAL FUND	
	Series 2003 Bonds	Series 2016 Bonds	Administration of Justice	Totals
ASSETS				
Cash and cash equivalents	\$ 53,354	\$ 592,337	\$ 844	\$ 1,509,121
Accounts receivable		94,468		110,861
	\$ 53,354	\$ 686,805	\$ 844	\$ 1,619,982
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable				\$ 1,190
Settlements pending			\$ 844	844
Total Liabilities			844	2,034
Fund Balances:				
Restricted	\$ 53,354	\$ 686,805		1,617,948
	\$ 53,354	\$ 686,805	\$ 844	\$ 1,619,982

CITY OF OZARK, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule 2

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	Fire Equipment and Training (Act 833)	Local Police and Fire Retirement (LOPFI)	Criminal Justice	District Court Automation	Advertising and Promotion Commission	USDA Rural Development Grant	Economic Development Grant	Emergency Services Facilities
REVENUES								
State aid	\$ 42,582							
Federal aid							\$ 4,000	
Property taxes		\$ 57,348						
Sales taxes								
Fines, forfeitures, and costs		3,827	\$ 30,642	\$ 9,544				
Interest	158	68	105	102	\$ 591			\$ 5,820
Advertising and promotion taxes					195,606			
Other		122						
TOTAL REVENUES	42,740	61,365	30,747	9,646	196,197		4,000	5,820
EXPENDITURES								
Current:								
Law enforcement		73,252	60,108	23,429				
Public safety	10,978	9,236						
Social services							4,000	
Advertising and promotion					126,365			
Total Current	10,978	82,488	60,108	23,429	126,365		4,000	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	10,978	82,488	60,108	23,429	126,365		4,000	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	31,762	(21,123)	(29,361)	(13,783)	69,832			5,820
FUND BALANCES - JANUARY 1	107,509	79,260	80,828	78,400	362,181	\$ 1		126,463
FUND BALANCES - DECEMBER 31	<u>\$ 139,271</u>	<u>\$ 58,137</u>	<u>\$ 51,467</u>	<u>\$ 64,617</u>	<u>\$ 432,013</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 132,283</u>

CITY OF OZARK, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule 2

	DEBT SERVICE FUNDS		
	Series 2003 Bonds	Series 2016 Bonds	Totals
REVENUES			
State aid			\$ 42,582
Federal aid			4,000
Property taxes			57,348
Sales taxes	\$ 79,800	\$ 1,162,869	1,242,669
Fines, forfeitures, and costs			44,013
Interest	5,056	29,737	41,637
Advertising and promotion taxes			195,606
Other			122
TOTAL REVENUES	84,856	1,192,606	1,627,977
EXPENDITURES			
Current:			
Law enforcement			156,789
Public safety			20,214
Social services			4,000
Advertising and promotion			126,365
Total Current			307,368
Debt Service:			
Bond principal	100,000	910,000	1,010,000
Bond interest and other charges	7,150	240,347	247,497
TOTAL EXPENDITURES	107,150	1,150,347	1,564,865
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,294)	42,259	63,112
FUND BALANCES - JANUARY 1	75,648	644,546	1,554,836
FUND BALANCES - DECEMBER 31	\$ 53,354	\$ 686,805	\$ 1,617,948

CITY OF OZARK, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Criminal Justice	Ark. Code Ann. § 16-10-308 established to pay for prisoner care.
District 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.
Advertising and Promotion Commission	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
USDA Rural Development Grant	Established to account for grant from U.S. Department of Agriculture for purchase of street equipment.
Economic Development Grant	Established to account for grants from the Arkansas Department of Economic Development Commission.
Emergency Services Facilities	Established to account for expenditure of bond proceeds related to emergency service facilities.
Series 2003 Bonds	Ozark Ordinance no. 2003-9 (May 12, 2003) established this fund to pay interest and principal on the 2003 Sales Tax Bonds.
Series 2016 Bonds	Ozark Ordinance no. 2016-1 (January 11, 2016) established this fund to pay interest and principal on the 2016 Sales Tax Bonds.
Administration of 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 OF OZARK, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2023
(Unaudited)

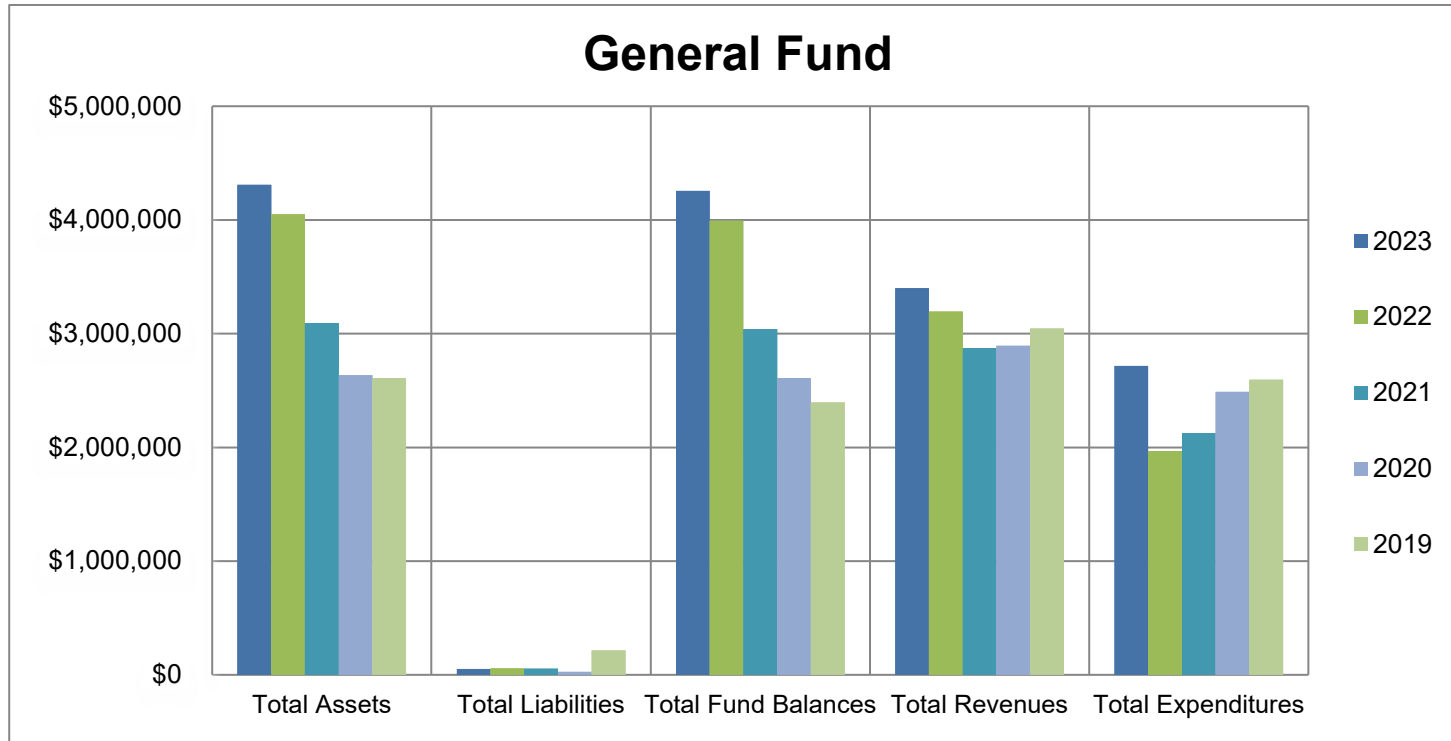
Schedule 3

	<u>December 31, 2023</u>
Land	\$ 683,860
Buildings	9,262,248
Equipment	<u>3,907,832</u>
Total	<u><u>\$ 13,853,940</u></u>

CITY OF OZARK, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-1

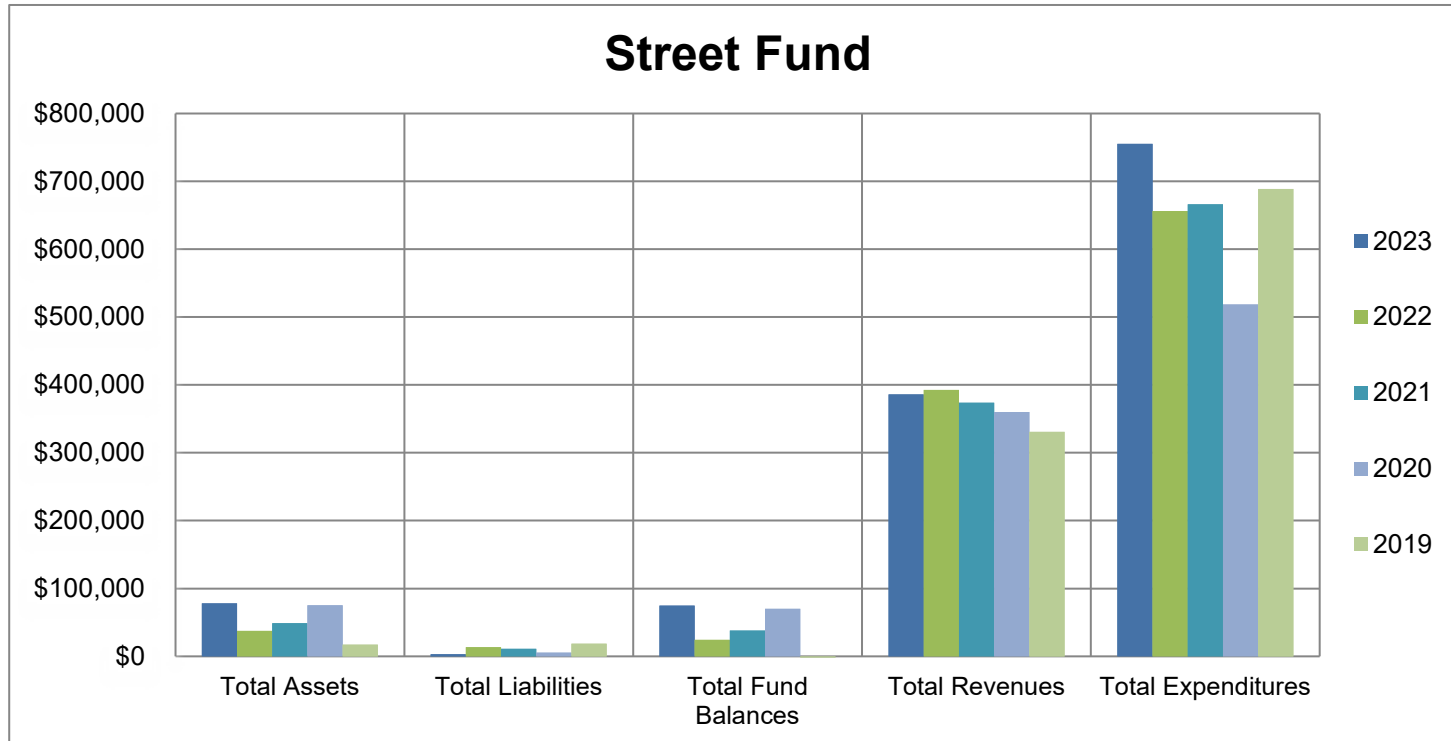
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 4,308,544	\$ 4,050,644	\$ 3,092,601	\$ 2,633,306	\$ 2,610,047
Total Liabilities	51,981	55,929	53,713	25,082	214,400
Total Fund Balances	4,256,563	3,994,715	3,038,888	2,608,224	2,395,647
Total Revenues	3,399,390	3,195,107	2,875,053	2,893,093	3,045,166
Total Expenditures	2,717,542	1,967,259	2,124,389	2,489,763	2,594,143
Total Other Financing Sources/Uses	(420,000)	(272,021)	(320,000)	(260,000)	(369,895)



CITY OF OZARK, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-2

<u>Street</u>	2023	2022	2021	2020	2019
Total Assets	\$ 77,908	\$ 37,658	\$ 48,836	\$ 75,480	\$ 17,123
Total Liabilities	3,030	13,562	10,999	5,483	18,877
Total Fund Balances	74,878	24,096	37,837	69,997	(1,754)
Total Revenues	386,250	392,506	373,985	360,262	330,698
Total Expenditures	755,468	656,247	666,145	518,511	688,753
Total Other Financing Sources/Uses	420,000	250,000	260,000	230,000	254,275



CITY OF OZARK, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,619,982	\$ 1,760,470	\$ 2,162,827	\$ 1,618,096	\$ 1,803,417
Total Liabilities	2,034	205,634	341,096	205,050	203,843
Total Fund Balances	1,617,948	1,554,836	1,821,731	1,413,046	1,599,574
Total Revenues	1,627,977	1,917,363	1,913,798	1,264,597	1,425,532
Total Expenditures	1,564,865	2,206,279	1,538,042	1,481,125	2,353,557
Total Other Financing Sources/Uses		22,021	32,929	30,000	115,620

