

City of Centerton, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Centerton, 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 Centerton, 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 Centerton, 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 Centerton, Arkansas, as of December 31, 2022, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 December 4, 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



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

Little Rock, Arkansas
December 4, 2023
LOM119222

Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

City of Centerton, 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 Centerton, 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 December 4, 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 management to maintain financial records. The City's financial records contained errors that were considered material as noted below:

The General Fund financial records contained misstatements in assets, liabilities, revenue, and expenditures of \$15,276, \$92,883, \$1,912,784, and \$1,835,178, respectively, due to errors in unrecorded receivables and payables, classification errors, and posting errors.

The effect of these 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 Mayor and Finance Director concurred with the above recommendations and have approved the appropriate adjustments 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 December 4, 2023.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings 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
December 4, 2023

Arkansas

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



Rep. Jimmy Gazaway
House Chair
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

City of Centerton, 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: Bill Edwards
Clerk/Treasurer: Todd Wright
District Court Clerk: Sara Lombard
Police Chief: Cody Harper
Finance Director: Pam Grant (January – March)
Carl Rabey (May – December)

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 Issues

The City discovered that an employee's payroll direct deposit had been fraudulently diverted to another bank account after the employee contacted the City about not receiving his payroll direct deposit. It was determined that on August 26, 2022, the City made the direct deposit change request after receiving an email from what appeared to be the City employee's email account. The funds of \$1,170 were recovered by the City on August 30, 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 black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
December 4, 2023

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 10,351,091	\$ 2,555,703	\$ 3,566,497
Accounts receivable	1,031,782	27,539	274,845
	<u>11,382,873</u>	<u>2,583,242</u>	<u>3,841,342</u>
TOTAL ASSETS	<u>\$ 11,382,873</u>	<u>\$ 2,583,242</u>	<u>\$ 3,841,342</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 286,779	\$ 75,034	
Settlements pending	1,000	1,000	\$ 29,537
Total Liabilities	<u>287,779</u>	<u>76,034</u>	<u>29,537</u>
Fund Balances:			
Restricted	142,249	2,507,208	3,811,805
Committed	9,387		
Assigned	34,716		
Unassigned	10,908,742		
Total Fund Balances	<u>11,095,094</u>	<u>2,507,208</u>	<u>3,811,805</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,382,873</u>	<u>\$ 2,583,242</u>	<u>\$ 3,841,342</u>

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

CITY OF CENTERTON, 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	\$ 383,841	\$ 1,536,101	\$ 34,468
Federal aid	257,440		1,730,415
Property taxes	1,521,087	310,231	124,623
Franchise fees	984,370		
Sales taxes	7,821,806		2,815,744
Fines, forfeitures, and costs	250,939		59,904
Interest	73,530	11,613	78,799
Local permits and fees	1,715,582		85
Advertising and promotion taxes			268,768
Donations	9,382		
Forfeited performance bonds		307,535	
Net increase/(decrease) in fair value of investments			(340,641)
Other	195,093	18,506	2,649
	<u>13,213,070</u>	<u>2,183,986</u>	<u>4,774,814</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	2,498,422		
Law enforcement	2,517,888		815,769
Highways and streets	893,355	1,194,909	8,233
Public safety	2,351,112		902,816
Health	534,913		
Recreation and culture	1,246,065		102,704
Advertising and promotion			6,622
Cemetery			1,778
Total Current	<u>10,041,755</u>	<u>1,194,909</u>	<u>1,837,922</u>
Debt Service:			
Bond principal			2,599,892
Bond interest and other charges			288,313
Financed purchase principal	166,106	51,454	
Financed purchase interest	14,068	1,545	
	<u>10,221,929</u>	<u>1,247,908</u>	<u>4,726,127</u>
TOTAL EXPENDITURES			

CITY OF CENTERTON, 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>\$ 2,991,141</u>	<u>\$ 936,078</u>	<u>\$ 48,687</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			639,486
Transfers out			(639,486)
Contribution to water department			(1,300,000)
Loan proceeds	407,275		
Transfers to Local Police and Fire Retirement System			<u>(1,339,117)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>407,275</u>		<u>(2,639,117)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,398,416	936,078	(2,590,430)
FUND BALANCES - JANUARY 1	<u>7,696,678</u>	<u>1,571,130</u>	<u>6,402,235</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 11,095,094</u></u>	<u><u>\$ 2,507,208</u></u>	<u><u>\$ 3,811,805</u></u>

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

CITY OF CENTERTON, 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	\$ 408,206	\$ 383,841	\$ (24,365)	\$ 1,536,101	\$ 1,536,101	\$ 0
Federal aid	259,029	257,440	(1,589)			
Property taxes	1,528,634	1,521,087	(7,547)	309,833	310,231	398
Franchise fees	853,840	984,370	130,530			
Sales taxes	7,727,197	7,821,806	94,609			
Fines, forfeitures, and costs	257,523	250,939	(6,584)			
Interest	20,768	73,530	52,762	1,380	11,613	10,233
Local permits and fees	1,705,938	1,715,582	9,644			
Donations	7,999	9,382	1,383			
Forfeited performance bonds					307,535	307,535
Other	198,742	195,093	(3,649)	44,539	18,506	(26,033)
TOTAL REVENUES	12,967,876	13,213,070	245,194	1,891,853	2,183,986	292,133
EXPENDITURES						
Current:						
General government	2,578,170	2,498,422	79,748			
Law enforcement	3,330,043	2,517,888	812,155			
Highways and streets	880,939	893,355	(12,416)	2,133,242	1,194,909	938,333
Public safety	4,598,676	2,351,112	2,247,564			
Health	472,145	534,913	(62,768)			
Recreation and culture	1,247,083	1,246,065	1,018			
Total Current	13,107,056	10,041,755	3,065,301	2,133,242	1,194,909	938,333
Debt Service:						
Financed purchase principal		166,106	(166,106)	231,506	51,454	180,052
Financed purchase interest		14,068	(14,068)	2,834	1,545	1,289
TOTAL EXPENDITURES	13,107,056	10,221,929	2,885,127	2,367,582	1,247,908	1,119,674

CITY OF CENTERTON, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (139,180)</u>	<u>\$ 2,991,141</u>	<u>\$ 3,130,321</u>	<u>\$ (475,729)</u>	<u>\$ 936,078</u>	<u>\$ 1,411,807</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,518,267		(1,518,267)	307,535		(307,535)
Transfers out	(418,361)		418,361			
Contribution to water department	(132,996)		132,996			
Loan proceeds	<u>407,275</u>	<u>407,275</u>	<u>0</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,374,185</u>	<u>407,275</u>	<u>(966,910)</u>	<u>307,535</u>		<u>(307,535)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,235,005	3,398,416	2,163,411	(168,194)	936,078	1,104,272
FUND BALANCES - JANUARY 1	<u>1,500,000</u>	<u>7,696,678</u>	<u>6,196,678</u>	<u>300,000</u>	<u>1,571,130</u>	<u>1,271,130</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,735,005</u></u>	<u><u>\$ 11,095,094</u></u>	<u><u>\$ 8,360,089</u></u>	<u><u>\$ 131,806</u></u>	<u><u>\$ 2,507,208</u></u>	<u><u>\$ 2,375,402</u></u>

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Centerton 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 Commission. 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 Capital Projects 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 Debt Service Funds as reported with other funds in the aggregate.

Pension Trust Fund - Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for the Pension Trust Fund reported with other funds in the aggregate.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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

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 and savings accounts and treasury bills.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, pool deposits, and street improvement funds that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. 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 CENTERTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15. 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.

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

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	5,911,792	6,530,206
Uncollateralized	10,060,974	10,060,974
 Total Deposits	 <u>\$ 16,472,766</u>	 <u>\$ 17,091,180</u>

The above total deposits do not include cash on hand of \$525.

Custodial credit risk is 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, 2022, \$10,060,974 of the City's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited into an account consisting of U.S. treasury bills, 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.

Pension Trust Funds

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

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

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
Federal aid	\$ 5,401		
Property taxes	135,291	\$ 27,539	\$ 11,077
Franchise fees	217,503		
Sales taxes	652,550		235,917
Fines, forfeitures, and costs	15,653		3,839
Local permits and fees	4,000		
Advertising and promotion taxes			24,012
Donations	1,384		
Totals	<u>\$ 1,031,782</u>	<u>\$ 27,539</u>	<u>\$ 274,845</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Street Fund
Vendor payables	\$ 147,035	\$ 75,034
Payroll taxes payable	<u>139,744</u>	
Totals	<u>\$ 286,779</u>	<u>\$ 75,034</u>

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

NOTE 6: 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	\$ 141,249		\$ 4,402
Law enforcement			211,955
Highways and streets		\$ 2,507,208	8,907
Public safety	1,000		41,932
Recreation and culture			501,784
Advertising and promotion			225,958
Cemetery			32,875
Capital outlay			1,434,994
Debt service			1,348,998
Total Restricted	<u>142,249</u>	<u>2,507,208</u>	<u>3,811,805</u>
Committed for:			
Law enforcement	<u>9,387</u>		
Assigned to:			
Law enforcement	33,100		
Public safety	<u>1,616</u>		
Total Assigned	<u>34,716</u>		
Unassigned	<u>10,908,742</u>		
Totals	<u>\$ 11,095,094</u>	<u>\$ 2,507,208</u>	<u>\$ 3,811,805</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, 2022, the legal debt limit for the bonded debt was \$67,105,604. 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, 2022, the legal debt limit for short-term financing obligations was \$17,057,215. The amount of short-term financing obligations was \$645,633, leaving a legal debt margin of \$16,411,582.

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

NOTE 8: Commitments

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

	December 31, 2022
	<hr/>
Long-term liabilities	\$ 8,484,762
Construction contracts	<hr/> 758,382
	<hr/>
Total Commitments	<u><u>\$ 9,243,144</u></u>

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

NOTE 8: Commitments (Continued)

Long-term liabilities

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

	December 31, 2022
<u>Bonds</u>	
Centerton Ordinance no. 2017-53 (September 28, 2017) approved the issuance of City of Centerton, Sales and Use Tax Refunding and Improvement Bonds Series 2017A, dated November 1, 2017, in the amount of \$10,000,000, due in annual installments of \$80,000-\$640,000 plus interest at 2.25 - 3.5% per annum with original maturity schedule due November 1st in the years 2027 - 2038; and Series 2017B, dated November 1, 2017, in the amount of \$2,975,000 due in annual installments of \$275,000 - \$335,000 plus interest at 1.9 - 3.55% per annum with maturity schedule due November 1st in the years 2018-2027. Proceeds are to be used to finance City Administrative Facilities, Street Improvements, Parks and Recreation Improvements, and Fire Department Facilities. Payments are to be made from the Debt Service Fund - Series 2017.	\$ 5,945,000
Centerton Ordinance no. 2020-02 (January 14, 2020) approved the issuance of City of Centerton, Sales and Use Tax Improvement Bonds Series 2020, dated February 19, 2020, in the amount of \$463,200, due to annual installments of \$20,000 - \$94,437 plus interest at 2.89% per annum with original maturity schedule due November 1st each year through 2024. Proceeds were used to finance improvements to the City Administrative Facilities. Payments are to be made from the Debt Service Fund - Series 2020.	51,604
Centerton Ordinance no. 2021-05 (January 12, 2021) approved the issuance of City of Centerton, Sales and Use Tax Improvement Bonds Series 2021, dated February 18, 2021, in the amount of \$1,060,000, due in annual installments of \$37,062 - \$153,290 plus interest at 2.21% per annum with original maturity schedule due November 1st each year through 2030. Proceeds were used to finance all or a portion of the costs of Fire Department Facilities. Payments are to be made from the Debt Service Fund - Series 2021.	654,172
Total Bonds	<u>6,650,776</u>
<u>Direct Borrowings</u>	
Financed purchase dated September 16, 2019, with First Security Bank in the amount of \$309,637 for the purchase of a radio system and related accessories; 59 monthly payments of \$5,554 and the final monthly payment of \$5,535, at 2.89% interest. Payments are to be made from the General Fund.	139,839
Financed purchase dated February 17, 2022, with First Security Bank in the amount of \$407,275 for the purchase of airpicks and related accessories; 59 monthly payments of \$7,290 and the final monthly payment of \$7,121, at 2.81% interest. Payments are to be made from the General Fund.	343,328
Financed purchase dated January 1, 2022, with Axon Enterprises in the amount of \$203,082, with interest of 0.0% for the purchase of 22 Tasers and accessories. Yearly payments of \$40,616 for 5 years. Payments are to be made from the General Fund.	162,466
Total Direct Borrowings	<u>645,633</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	<u>1,188,353</u>
Total Long-term liabilities	<u>\$ 8,484,762</u>

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

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

NOTE 8: Commitments (Continued)

The City's outstanding bonds payable of \$6,650,776 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 direct borrowings of \$645,633 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

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>					
11/1/17	11/1/38	2.25 - 3.5%	\$ 10,000,000	\$ 4,395,000	\$ 5,605,000
11/1/17	11/1/27	1.9 - 3.55%	2,975,000	1,550,000	1,425,000
2/19/20	11/1/24	2.89%	463,200	51,604	411,596
2/18/21	11/1/28	2.21%	1,060,000	654,172	405,828
Total Bonds			<u>14,498,200</u>	<u>6,650,776</u>	<u>7,847,424</u>
<u>Direct Borrowings</u>					
9/16/19	9/16/24	2.89%	309,637	139,839	169,798
2/17/22	2/17/27	2.81%	407,275	343,328	63,947
1/1/22	1/1/26	0.00%	203,082	162,466	40,616
Total Direct Borrowings			<u>919,994</u>	<u>645,633</u>	<u>274,361</u>
Total Long-Term Debt			<u>\$ 15,418,194</u>	<u>\$ 7,296,409</u>	<u>\$ 8,121,785</u>

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 9,250,668	\$ 0	\$ 2,599,892	\$ 6,650,776
<u>Direct Borrowings</u>				
Financed purchases	<u>252,836</u>	<u>\$ 610,357</u>	<u>217,560</u>	<u>645,633</u>
Total Long-Term Debt	<u>\$ 9,503,504</u>	<u>\$ 610,357</u>	<u>\$ 2,817,452</u>	<u>\$ 7,296,409</u>

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

NOTE 8: Commitments (Continued)

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	\$ 393,666	\$ 215,468	\$ 609,134	\$ 182,982	\$ 11,773	\$ 194,755
2024	386,817	204,221	591,038	186,885	7,870	194,755
2025	462,227	192,775	655,002	135,037	4,184	139,221
2026	475,985	179,017	655,002	126,365	1,736	128,101
2027	490,658	164,344	655,002	14,364	52	14,416
2028 through 2032	2,051,423	602,874	2,654,297			
2033 through 2037	2,275,000	244,581	2,519,581			
2038	115,000	3,738	118,738			
Totals	<u>\$ 6,650,776</u>	<u>\$ 1,807,018</u>	<u>\$ 8,457,794</u>	<u>\$ 645,633</u>	<u>\$ 25,615</u>	<u>\$ 671,248</u>

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2022:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2022
Main Street Flood Plain	December 2024	\$ 11,859
Sidwalks on Gamble and Bliss	December 2023	13,916
McKissic Creek Flood	June 2023	4,464
McKissic Creek Park - Allen	December 2024	103,843
Fire Station 2	September 2023	624,300
Total Construction Contracts		<u>\$ 758,382</u>

NOTE 9: Interfund Transfers

Within the Other Funds in the Aggregate, the City transferred \$216,016 from the Advertising and Promotion Fund to the Parks and Recreation Fund for operations, \$159,287 from the 2017 Refunding and Improvement Bonds – Debt Service Fund to the 2020 Improvement Bonds – Debt Service for debt service payments, and \$264,183 from the 2017 Refunding and Improvement Bonds – Debt Service Fund to the 2021 Improvement Bonds – Debt Service Fund for debt service payments.

NOTE 10: Pledged Revenues

The City pledged future 1% sales and use taxes to repay \$14,498,200 in bonds that were issued in 2017, 2020, and 2021 to provide funding for Street and Parks and Recreation improvements, City Administrative Facilities, Fire Department Facilities, and refunding 2015 bond issues. Total principal and interest remaining on the bonds are \$6,650,776 and \$1,807,018, respectively, payable through November 1, 2038. For 2022, principal and interest paid were \$2,599,892 and \$278,915, respectively.

The Debt Service Fund received \$2,815,744 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for retirement of future bond principal.

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

NOTE 11: Jointly Governed Organization – Benton County Solid Waste District

Benton County and the Cities of Benton County entered into an interlocal agreement, pursuant to Ark. Code Ann. § 8-6-723, creating the Benton County Solid Waste District (BCSWD). BCSWD was established in an effort to adequately, reliably, and economically dispose of the Cities' and County's solid waste. Payments totaling \$15,501 were made to the BCSWD during 2022 and future funding is to be at the rate of \$.50 per capita of the City. Financial statements may be obtained at: Benton County Solid Waste District, 5702 Brookshire Road, Bentonville, Arkansas, 72712.

NOTE 12: 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.

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.

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

NOTE 13: Firemen's Pension and Relief Plan

Plan Description

The Firemen's Pension and Relief Plan is a single-employer defined benefit pension plan that covers municipal firemen employed prior to January 1, 1983. The plan, administered by the City, provides retirement, disability, and survivor benefits. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. State law does provide that upon actuarial soundness of the plan, the Board may increase retirement benefits. The plan was closed to new entrants on January 1, 1983. The plan does not issue a stand-alone financial report but is included in the City's financial report.

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City made no contributions to the plan for the year ended December 31, 2022. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. On December 13, 2022, administration of the City of Centerton Firemen's Pension and Relief Fund was transferred to LOPFI.

**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 13, 2022, administration of the City of Centerton Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of this plan 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 \$412,422 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$243,343 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 \$7,207,113.

CITY OF CENTERTON, 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 for the year ended June 30, 2022, (date of APERS Employer Allocation Report) was \$309,648.

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 \$2,607,264

NOTE 16: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the City was awarded \$3,365,446 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$3,365,446 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 17: Subsequent Events

The City established its own ambulance service in 2023. On February 14, 2023, the City approved Ordinance 2023-13, establishing billing for ambulance services provided inside and outside city limits.

The City passed Resolution 2023-40 on September 12, 2023, approving the purchase of two fire trucks from Siddons-Martin Emergency Group, LLC. The cost of the fire trucks is \$1,935,056 and will pay a downpayment of \$550,000 in 2023. The City will set aside \$500,000 each year through 2026 to pay the remaining balance when the trucks are received.

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

Schedule 1

	SPECIAL REVENUE FUNDS									
	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	District Court Automation	Parks and Recreation	Advertising and Promotion	Law Enforcement Grant	Highway Improvement (Act 1949)	Incarceration Fee	Cemetery Operation and Maintenance	American Rescue Plan Act
ASSETS										
Cash and cash equivalents	\$ 30,855	\$ 26,829	\$ 59,643	\$ 501,784	\$ 201,946	\$ 100	\$ 8,502	\$ 121,949	\$ 32,875	\$ 4,402
Accounts receivable		1,035	1,062		24,012		405	1,337		
TOTAL ASSETS	<u>\$ 30,855</u>	<u>\$ 27,864</u>	<u>\$ 60,705</u>	<u>\$ 501,784</u>	<u>\$ 225,958</u>	<u>\$ 100</u>	<u>\$ 8,907</u>	<u>\$ 123,286</u>	<u>\$ 32,875</u>	<u>\$ 4,402</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Settlements pending										
Fund Balances:										
Restricted	<u>\$ 30,855</u>	<u>\$ 27,864</u>	<u>\$ 60,705</u>	<u>\$ 501,784</u>	<u>\$ 225,958</u>	<u>\$ 100</u>	<u>\$ 8,907</u>	<u>\$ 123,286</u>	<u>\$ 32,875</u>	<u>\$ 4,402</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,855</u>	<u>\$ 27,864</u>	<u>\$ 60,705</u>	<u>\$ 501,784</u>	<u>\$ 225,958</u>	<u>\$ 100</u>	<u>\$ 8,907</u>	<u>\$ 123,286</u>	<u>\$ 32,875</u>	<u>\$ 4,402</u>

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

Schedule 1

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS			TRUST FUND	CUSTODIAL FUNDS		
	Series 2017 Refunding and Improvement Bonds	Series 2021 Improvement Bonds	Refunding and Improvement Bonds - Debt Service	Series 2020 Improvement Bonds - Debt Service	Series 2021 Improvement Bonds - Debt Service	Firemen's Pension	Administration of Justice	District Court	Totals
ASSETS									
Cash and cash equivalents	\$ 468,077	\$ 966,917	\$ 1,054,353	\$ 37,823	\$ 20,905		\$ 50	\$ 29,487	\$ 3,566,497
Accounts receivable			235,917			\$ 11,077			274,845
TOTAL ASSETS	<u>\$ 468,077</u>	<u>\$ 966,917</u>	<u>\$ 1,290,270</u>	<u>\$ 37,823</u>	<u>\$ 20,905</u>	<u>\$ 11,077</u>	<u>\$ 50</u>	<u>\$ 29,487</u>	<u>\$ 3,841,342</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Settlements pending							\$ 50	\$ 29,487	\$ 29,537
Fund Balances:									
Restricted	\$ 468,077	\$ 966,917	\$ 1,290,270	\$ 37,823	\$ 20,905	\$ 11,077			3,811,805
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 468,077</u>	<u>\$ 966,917</u>	<u>\$ 1,290,270</u>	<u>\$ 37,823</u>	<u>\$ 20,905</u>	<u>\$ 11,077</u>	<u>\$ 50</u>	<u>\$ 29,487</u>	<u>\$ 3,841,342</u>

CITY OF CENTERTON, 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							
	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	District Court Automation	Parks and Recreation	Advertising and Promotion	Law Enforcement Grant	Highway Improvement (Act 1949)	Incarceration Fee
REVENUES								
State aid	\$ 27,511							
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs		\$ 14,349	\$ 15,030				\$ 8,860	\$ 21,665
Interest	178	92	214	\$ 5,000	\$ 799		40	
Local permits and fees								
Advertising and promotion taxes					268,768			
Net increase/(decrease) in fair value of investments								
Other					925			
TOTAL REVENUES	27,689	14,441	15,244	5,000	270,492		8,900	21,665
EXPENDITURES								
Current:								
Law enforcement		33,814	6,548					18,360
Highways and streets							8,233	
Public safety	28,197							
Recreation and culture				22,165				
Advertising and promotion					6,622			
Cemetery								
Total Current	28,197	33,814	6,548	22,165	6,622		8,233	18,360
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	28,197	33,814	6,548	22,165	6,622		8,233	18,360
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	(508)	(19,373)	8,696	(17,165)	263,870		667	3,305
OTHER FINANCING SOURCES (USES)								
Transfers in				216,016				
Transfers out					(216,016)			
Contribution to water department								
Transfers to Local Police and Fire Retirement System								
TOTAL OTHER FINANCING SOURCES (USES)				216,016	(216,016)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	(508)	(19,373)	8,696	198,851	47,854		667	3,305
FUND BALANCES - JANUARY 1	31,363	47,237	52,009	302,933	178,104	\$ 100	8,240	119,981
FUND BALANCES - DECEMBER 31	\$ 30,855	\$ 27,864	\$ 60,705	\$ 501,784	\$ 225,958	\$ 100	\$ 8,907	\$ 123,286

CITY OF CENTERTON, 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		CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS			TRUST FUND	
	Cemetery Operation and Maintenance	American Rescue Plan Act	Series 2017 Refunding and Improvement Bonds	Series 2021 Improvement Bonds	Series 2017 Refunding and Improvement Bonds - Debt Service	Series 2020 Improvement Bonds - Debt Service	Series 2021 Improvement Bonds - Debt Service	Firemen's Pension	Totals
REVENUES									
State aid								\$ 6,957	\$ 34,468
Federal aid		\$ 1,682,713	\$ 47,702						1,730,415
Property taxes								124,623	124,623
Sales taxes					\$ 2,815,744				2,815,744
Fines, forfeitures, and costs									59,904
Interest	\$ 121		4,887	\$ 8,872	13,376	\$ 339	\$ 192	44,689	78,799
Local permits and fees	85								85
Advertising and promotion taxes									268,768
Net increase/(decrease) in fair value of investments								(340,641)	(340,641)
Other					99			1,625	2,649
TOTAL REVENUES	206	1,682,713	52,589	8,872	2,829,219	339	192	(162,747)	4,774,814
EXPENDITURES									
Current:									
Law enforcement		757,047							815,769
Highways and streets									8,233
Public safety		757,054						117,565	902,816
Recreation and culture			80,539						102,704
Advertising and promotion									6,622
Cemetery	1,778								1,778
Total Current	1,778	1,514,101	80,539					117,565	1,837,922
Debt Service:									
Bond principal					2,205,000	151,785	243,107		2,599,892
Bond interest and other charges					259,507	7,716	21,090		288,313
TOTAL EXPENDITURES	1,778	1,514,101	80,539		2,464,507	159,501	264,197	117,565	4,726,127
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(1,572)	168,612	(27,950)	8,872	364,712	(159,162)	(264,005)	(280,312)	48,687
OTHER FINANCING SOURCES (USES)									
Transfers in						159,287	264,183		639,486
Transfers out					(423,470)				(639,486)
Contribution to water department		(1,300,000)							(1,300,000)
Transfers to Local Police and Fire Retirement System								(1,339,117)	(1,339,117)
TOTAL OTHER FINANCING SOURCES (USES)		(1,300,000)			(423,470)	159,287	264,183	(1,339,117)	(2,639,117)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	(1,572)	(1,131,388)	(27,950)	8,872	(58,758)	125	178	(1,619,429)	(2,590,430)
FUND BALANCES - JANUARY 1	34,447	1,135,790	496,027	958,045	1,349,028	37,698	20,727	1,630,506	6,402,235
FUND BALANCES - DECEMBER 31	\$ 32,875	\$ 4,402	\$ 468,077	\$ 966,917	\$ 1,290,270	\$ 37,823	\$ 20,905	\$ 11,077	\$ 3,811,805

CITY OF CENTERTON, 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>
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.
Emergency Vehicle (Act 988)	Ark. Code Ann. § 27-22-103 established fund for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus.
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.
Parks and Recreation	Ark. Code Ann. § 26-75-606 and Centerton Ordinance no. 07-02 (May 8, 2007) amended by no. 09-27 (December 8, 2009) established fund allowing the City to allocate 80% of advertising and promotion tax for the purpose of parks and other facilities.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 and Centerton Ordinance no. 07-02 (May 8, 2007) amended by no. 09-27 (December 8, 2009) established and amended the fund to receive no more than 3% of gross proceeds from restaurants, cafés, etc., that are to be used for parks and to promote the City.
Law Enforcement Grant	Established to account for Local Law Enforcement Block Grants (LLEBG) and Justice Assistance Grants (JAG) to be used for police department operations.
Highway Improvement (Act 1949)	Ark. Code Ann. § 27-14-313 established the fund to receive fines for failure to properly register vehicles to be used for the construction, maintenance or repair of public highway or highway structures, or for the installation and maintenance of traffic control devices.
Incarceration Fee	Ark. Code Ann. § 16-17-129 and Centerton Ordinance no. 05-49 (June 14, 2005) established fund to receive District Court additional fines not to exceed twenty dollars (\$20) to be deposited into the fund to be used exclusively to defray the cost of incarcerating city prisoners, including construction and maintenance of the city jail.
Cemetery Operation and Maintenance	Centerton Resolution no. 2014-08 (May 6, 2014) established fund to be used for the general grounds keeping and management of the Centerton Cemetery.

CITY OF CENTERTON, 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>
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Series 2017 Refunding and Improvement Bonds	Centerton Ordinance no. 2017-53 (September 28, 2017) authorized the issuance of Sales and Use Tax Refunding and Improvement Bonds for the purpose of refunding prior sales tax indebtedness and financing City Administrative Facilities, Street Improvements, and Parks and Recreational Improvements and pledging collections of a 1% sales and use tax to pay the principal and interest on the bonds.
Series 2021 Improvement Bonds	Centerton Ordinance no. 2021-05 (January 12, 2021) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal and interest on the bonds.
Series 2017 Refunding and Improvement Bonds - Debt Service	Centerton Ordinance no. 2017-53 (September 28, 2017) authorized the issuance of Sales and Use Tax Refunding and Improvement Bonds for the purpose of refunding prior sales tax indebtedness and financing City Administrative Facilities, Street Improvements, and Parks and Recreational Improvements and pledging collections of a 1% sales and use tax to pay the principal and interest on the bonds.
Series 2020 Improvement Bonds - Debt Service	Centerton Ordinance no. 2020-02 (January 14, 2020) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
Series 2021 Improvement Bonds - Debt Service	Centerton Ordinance no. 2021-05 (January 12, 2021) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal and interest on the bonds.
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
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.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

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

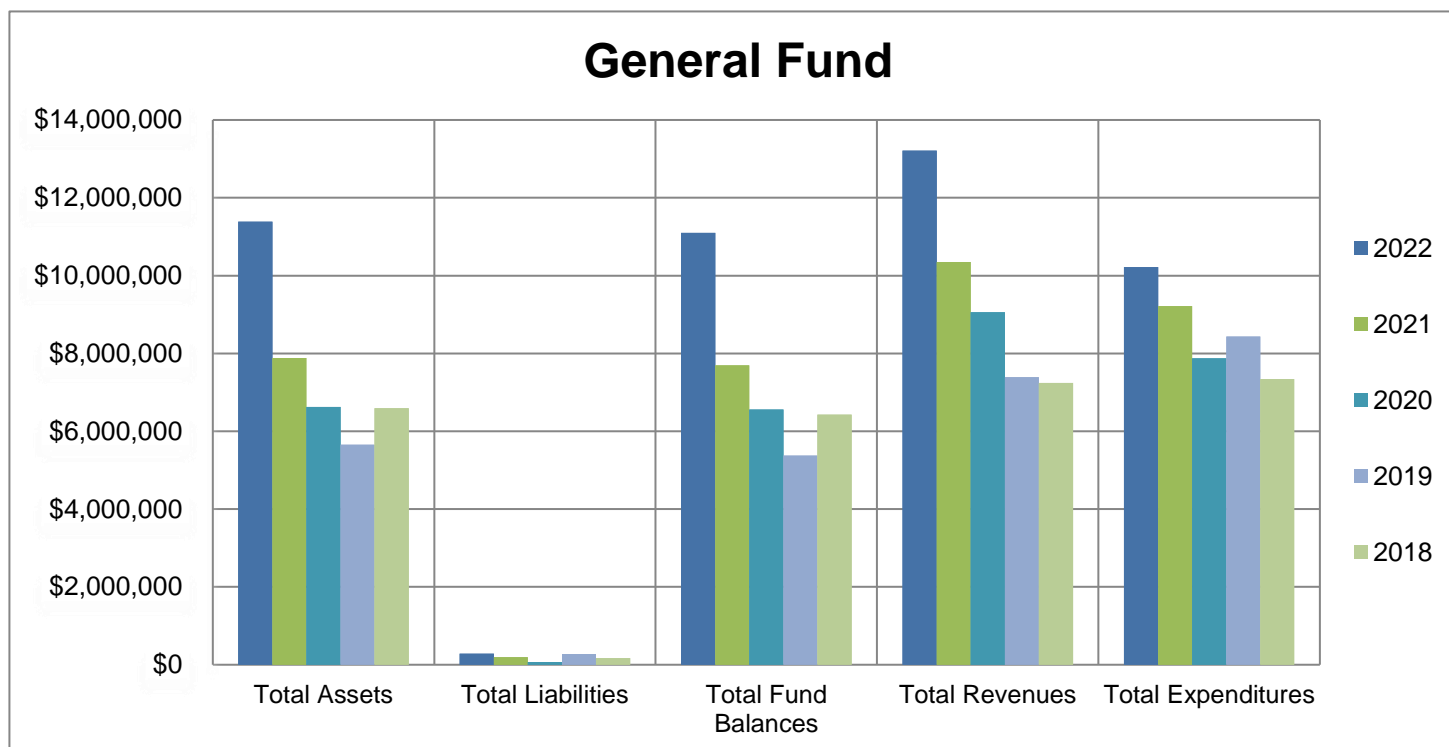
Schedule 3

	December 31, 2022
Land	\$ 2,094,111
Buildings and improvements	11,886,446
Construction in progress	27,193
Equipment	<u>8,180,640</u>
Total	<u><u>\$ 22,188,390</u></u>

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

Schedule 4-1

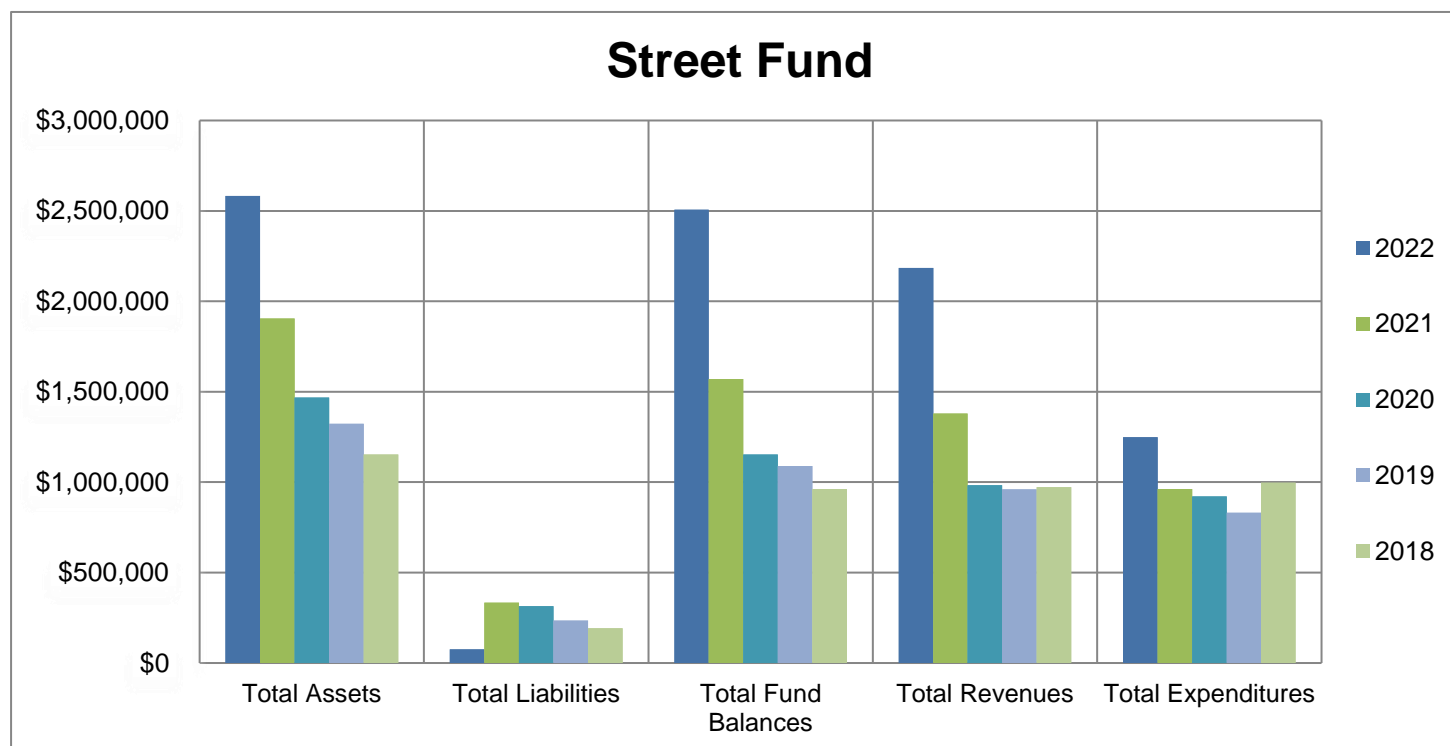
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 11,382,873	\$ 7,886,875	\$ 6,627,558	\$ 5,651,839	\$ 6,594,042
Total Liabilities	287,779	190,197	71,438	275,103	170,430
Total Fund Balances	11,095,094	7,696,678	6,556,120	5,376,736	6,423,612
Total Revenues	13,213,070	10,352,182	9,056,985	7,390,820	7,244,116
Total Expenditures	10,221,929	9,211,624	7,877,601	8,437,696	7,343,948
Total Other Financing Sources/Uses	407,275				



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

Schedule 4-2

Street	2022	2021	2020	2019	2018
Total Assets	\$ 2,583,242	\$ 1,905,043	\$ 1,467,606	\$ 1,323,298	\$ 1,152,558
Total Liabilities	76,034	333,913	315,046	234,078	191,300
Total Fund Balances	2,507,208	1,571,130	1,152,560	1,089,220	961,258
Total Revenues	2,183,986	1,379,727	983,596	959,702	971,819
Total Expenditures	1,247,908	961,157	920,256	831,740	996,769
Total Other Financing Sources/Uses					126,513



CITY OF CENTERTON, 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	\$ 3,841,342	\$ 6,452,327	\$ 8,630,836	\$ 8,563,923	\$ 9,562,811
Total Liabilities	29,537	50,092	467,017	145,385	220,943
Total Fund Balances	3,811,805	6,402,235	8,163,819	8,418,538	9,341,868
Total Revenues	4,774,814	4,742,079	2,680,484	2,248,143	1,857,311
Total Expenditures	4,726,127	7,430,667	3,398,403	3,153,781	3,069,592
Total Other Financing Sources/Uses	(2,639,117)	927,004	463,200		

