

**City of Lowell, Arkansas
Sewer System Trust Fund**

**Financial Statements
December 31, 2022 and 2021**

(With Independent Auditor's Report Thereon)

City of Lowell, Arkansas, Sewer System Trust Fund

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Lowell, Arkansas, Sewer System Trust Fund
Lowell, Arkansas

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the **City of Lowell, Arkansas, Sewer System Trust Fund** (the Fund), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Fund as of December 31, 2022 and 2021, and the respective changes in financial position, thereof, for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

Basis for Opinion

We conducted our audits 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 Fund and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

As described in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City of Lowell, Arkansas, and the changes in their financial position, or, where applicable, their cash flows in conformity with the modified cash basis of accounting.

To the Mayor and City Council
City of Lowell, Arkansas, Sewer System Trust Fund
Lowell, Arkansas

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is 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 misstatement, whether due to fraud or error.

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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 Fund'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 Fund'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.

To the Mayor and City Council
City of Lowell, Arkansas, Sewer System Trust Fund
Lowell, Arkansas

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and, except for the Schedule of Capital Assets (Unaudited), is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the Schedule of Capital Assets (Unaudited), has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information mentioned above, except for the Schedule of Capital Assets (Unaudited), is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The Schedule of Capital Assets (Unaudited) has not been subjected to the auditing procedures of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated January 31, 2024 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Landmark PLC".

Rogers, Arkansas
January 31, 2024

Financial Statements

City of Lowell, Arkansas, Sewer System Trust Fund

Statements of Net Position – Modified Cash Basis December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 643,834	\$ 678,057
TOTAL ASSETS	<u>\$ 643,834</u>	<u>\$ 678,057</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Refundable deposits	\$ 63,000	\$ 63,000
Total Liabilities	63,000	63,000
FUND BALANCE		
Restricted	<u>580,834</u>	<u>615,057</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 643,834</u>	<u>\$ 678,057</u>

See accompanying notes to financial statements.

City of Lowell, Arkansas, Sewer System Trust Fund

Statements of Revenues, Expenditures, and Changes in Net Position – Modified Cash Basis Years ended December 31, 2022 and 2021

	2022	2021
REVENUES		
Sewer and STEP system hook-up fees	\$ 234,062	\$ 417,751
STEP system user and order fees	156,956	153,825
Interest income	1,407	730
Miscellaneous	710	499
Total Revenues	393,135	572,805
EXPENDITURES		
Dues and subscriptions	2,688	2,365
Employee benefits	37,455	34,430
Miscellaneous	5,286	2,565
Professional services	11,998	9,165
Salaries and payroll taxes	126,946	116,054
STEP system installation and maintenance	43,304	40,707
Sewer hook-up fees to Springdale	48,800	103,200
Sewer and water line improvements	18,900	-
Utilities	13,481	11,251
Total Expenditures	308,858	319,737
EXCESS OF REVENUES OVER EXPENDITURES	84,277	253,068
OTHER FINANCING SOURCES (USES)		
Transfer out - General Fund	(118,500)	(323,500)
Total Other Financing Sources (Uses)	(118,500)	(323,500)
NET CHANGE IN FUND BALANCE	(34,223)	(70,432)
FUND BALANCE, BEGINNING OF YEAR	615,057	685,489
FUND BALANCE, END OF YEAR	\$ 580,834	\$ 615,057

See accompanying notes to financial statements.

City of Lowell, Arkansas, Sewer System Trust Fund

Notes to Financial Statements December 31, 2022 and 2021

NOTE 1: NATURE OF BUSINESS

The purpose of the City of Lowell, Arkansas, Sewer Trust Fund (the Fund) is to provide sewer services to residences and businesses in the City through agreements with other municipalities or contracting entities to provide those services. The major sources of fee revenue for the Fund are sewer and septic tank effluent pump (STEP) system hook-up, and STEP user fees. In addition, the Fund receives intergovernmental revenues, which consist of funds provided by the City of Springdale (Springdale) as reimbursement for the actual cost of construction of sewer lines, including engineering fees and land acquisitions. The related sewer system improvements are the property of Springdale. STEP systems are the property of the City.

The accompanying financial statements present only the sewer system trust fund and do not present the financial position of the City of Lowell, Arkansas (the City), and the changes in their financial position. The Fund is an enterprise fund of the City. The criteria provided in Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* have been considered.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Although the Fund is not included in the financial statements of the City, the Fund is an enterprise fund of the City. An enterprise fund is used to account for business-type operations that are financed and operated in a manner similar to private business enterprise, where the intent is that the costs of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. The measurement focus of an enterprise fund is usually an economic resource measurement focus, the objectives of which are the determination of operating income and changes in financial position. Under an economic resources measurement focus, all assets and liabilities (whether current or noncurrent, financial or nonfinancial) are reported. However, as explained in the paragraph that follows, certain modifications to the economic resources measurement focus result from the basis of accounting utilized by the Fund.

The Fund's transactions are recorded on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, the Fund generally recognizes assets, liabilities, revenues, and expenditures when cash is received or paid. Therefore, these financial statements do not report accounts receivable and revenues for services billed or provided but not collected. In addition, these financial statements do not reflect accounts payable or expenditures for goods and services received before year end for which payment has not yet been made. The only transactions reported in these financial statements that are not directly attributable to the receipts and disbursements of cash are refundable meter deposit liabilities.

Reporting Entity

The City operates under an elected Mayor-Council form of government. Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City of Lowell, Arkansas, Sewer System Trust Fund

Notes to Financial Statements December 31, 2022 and 2021

Basis of Presentation

The presentation of the Fund's financial statements follows the requirements of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended, as applicable to enterprise funds. In accordance with the requirements of this standard, the Department's net position is categorized into restricted and unrestricted, as applicable.

Restricted Fund Balance

All revenues of the Fund are restricted for the development of the STEP system, construction of sewer lines, repairs and maintenance and other expenses necessary to provide sewer services to the residents and businesses of the City.

Cash Equivalents

The Fund considers cash and cash equivalents to be all short-term, highly liquid investments that both readily convertible to known amounts of cash and have a maturity of three months or less. The Fund had cash equivalents of \$63,792 and \$63,665, as of December 31, 2022 and 2021, respectively.

Refundable Deposits

Customers are required to make a deposit for sewer services in the amount of \$200. Deposits are refundable or can be offset against the customer's final bill.

NOTE 3: DEPOSITS IN FINANCIAL INSTITUTIONS

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 also be invested in direct obligations of the United States of America and obligations, the principal and interest of which, are fully guaranteed by the United States of America. The Fund maintains separate bank accounts in various banks. Deposits with banks at December 31, 2022 and 2021 are as follows:

	2022	2021
Total cash and cash equivalents in bank	\$ 646,420	\$ 628,364
Less:		
FDIC insured	313,792	313,665
Collateralized	332,628	314,699
Uninsured/Uncollateralized	\$ -	\$ -

City of Lowell, Arkansas, Sewer System Trust Fund

Notes to Financial Statements December 31, 2022 and 2021

NOTE 4: FLEXIBLE BENEFIT PLAN

The City offers all active full-time employees and elected City officials who receive a W-2 form the option to participate in a flexible benefit plan administered by the American Family Life Assurance Company, Flex One. The flexible benefit plan has been established as a cafeteria plan as permitted under Section 125 of the Internal Revenue Code, as amended. The plan is funded solely by salary redirections as elected on a voluntary basis by participants.

NOTE 5: OTHER FINANCING SOURCES (USES)

During the years ended December 31, 2022 and 2021, the Fund transferred \$118,500 and \$325,500, respectively, to the City's General Fund.

NOTE 6: INTER-MUNICIPAL SEWER AGREEMENT

On October 11, 2005, the Fund entered into an "inter-municipal sewer agreement" (the agreement) with Springdale which was authorized by Resolution 05-27. This agreement provides that Springdale will construct certain sewer system improvements, and the Fund will reimburse Springdale for the Fund's share of Springdale's actual cost of construction, including engineering fees and land acquisition. Project costs are to be paid by revenue bonds secured by Springdale. These revenue bonds will be repaid through revenue generated by increased sewer usage fees assessed by Springdale on Lowell residents. Any shortage in sewer usage fees for the Fund's portion of the bond repayment will be supplemented by the Fund. During the years ended December 31, 2022 and 2021, there was no shortage in sewer usage fees and therefore, no amounts were paid to Springdale.

For a period of fifteen years after the execution of the agreement, Springdale will operate and maintain the sewer system and treat all wastewater collected by the system. At the conclusion of the initial term, the agreement will be automatically renewed for another fifteen years. With one year advance written notice, the agreement may be terminated if the Fund decides to purchase the sewer facilities located in the corporate limits of the Fund that were constructed by Springdale for the amount that Springdale has invested in the Fund's sewer system. If terminated, Springdale will have no further obligation to maintain the Fund's sewer system or to treat any sewage or wastewater from the Fund's system. The agreement may not be terminated before the revenue bonds issued by Springdale are retired. On October 11, 2020, the initial period of the agreement ended and was amended for an additional 15 years.

In addition, under the agreement, the Fund is to collect an \$800 connection fee from each person or entity seeking to connect to the sewer system within the Fund's limits. This amount is to be remitted to Springdale. Springdale will hold the funds in a fund established for Lowell's proportionate share of Phase 3 expansion, which has not yet commenced. Phase 3 will commence when the system reaches an available capacity that Springdale, at its discretion, deems it necessary. After the Fund's obligation regarding Phase 3 is fully repaid, all remaining fees will be retained by the Fund. During the years ended December 31, 2022 and 2021, fees transferred to Springdale totaled \$48,800 and \$103,200, respectively.

City of Lowell, Arkansas, Sewer System Trust Fund

Notes to Financial Statements

December 31, 2022 and 2021

NOTE 7: RETIREMENT PLANS

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 APERS Board of Trustees has no authority to establish and amend benefit provisions to the APERS. The State of Arkansas 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, One Union National Plaza, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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. For the years ended December 31, 2022 and 2021, the City's contributions to the plan were \$216,570 and \$233,352, respectively. Of this amount, the Fund contributed \$17,599 and \$16,330, respectively.

Net Pension Liability

The City's proportionate share of the total collective net pension liability attributable to employees of the City at June 30, 2022 and 2021 (the actuarial valuation date and measurement date) was \$1,823,544 and \$586,451, respectively. The Fund's proportionate share of the total collective net pension liability has not been determined.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2024, the date that the financial statements were available to be issued, and none were identified requiring recognition or disclosure.



**INDEPENDENT AUDITOR’S 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***

The Honorable Mayor and the City Council
City of Lowell, Arkansas, Sewer System Trust Fund
Lowell, Arkansas

We have audited, in accordance with 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 financial statements of **City of Lowell, Arkansas, Sewer System Trust Fund** (the Fund), a component unit of the City of Lowell, Arkansas, which comprise the statements of net position – modified cash basis as of December 31, 2022 and 2021, and the related statements of revenues, expenditures and changes in net position – modified cash basis, for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2024.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Fund’s internal control over financial reporting (internal control) to as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund’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.

To the Mayor and City Council
City of Lowell, Arkansas, Sewer System Trust Fund
Lowell, Arkansas

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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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 audits, 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*.

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 Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Landmark PLC".

Rogers, Arkansas
January 31, 2024

Required Supplementary Information

City of Lowell, Arkansas, Sewer System Trust Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Year ended December 31, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Sewer and STEP system hook-up fees	\$ 250,000	\$ 234,062	\$ (15,938)
STEP system user and order fees	149,800	156,956	7,156
Interest income	-	1,407	1,407
Miscellaneous	-	710	710
	399,800	393,135	(6,665)
EXPENDITURES			
Dues and subscriptions	3,000	2,688	312
Employee benefits	40,529	37,455	3,074
Miscellaneous	34,000	5,286	28,714
Professional services	20,000	11,998	8,002
Salaries and payroll taxes	127,179	126,946	233
STEP system installation and maintenance	37,500	43,304	(5,804)
Sewer hook-up fees to Springdale	100,000	48,800	51,200
Sewer and water line improvements	85,450	18,900	66,550
Utilities	10,000	13,481	(3,481)
	457,658	308,858	148,800
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(57,858)	84,277	142,135
OTHER FINANCING SOURCES (USES)			
Transfer out - General Fund	(118,500)	(118,500)	-
	(118,500)	(118,500)	-
NET CHANGE IN FUND BALANCE			
	\$ (176,358)	(34,223)	\$ 142,135
FUND BALANCE, BEGINNING OF YEAR			
		615,057	
FUND BALANCE, END OF YEAR			
		\$ 580,834	

See Independent Auditor's Report.

City of Lowell, Arkansas, Sewer System Trust Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Year ended December 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Sewer and STEP system hook-up fees	\$ -	\$ 417,751	\$ 417,751
STEP system user and order fees	149,800	153,825	4,025
Interest income	-	730	730
Miscellaneous	-	499	499
Total Revenues	149,800	572,805	423,005
EXPENDITURES			
Dues and subscriptions	3,500	2,365	1,135
Employee benefits	33,040	34,430	(1,390)
Miscellaneous	35,900	2,565	33,335
Professional services	20,200	9,165	11,035
Salaries and payroll taxes	119,085	116,054	3,031
STEP system installation and maintenance	41,700	40,707	993
Sewer hook-up fees to Springdale	-	103,200	(103,200)
Utilities	9,000	11,251	(2,251)
Total Expenditures	262,425	319,737	(57,312)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(112,625)	253,068	365,693
OTHER FINANCING SOURCES (USES)			
Transfer in - General Fund	112,625	-	112,625
Transfer out - General Fund	-	(323,500)	(323,500)
Total Other Financing Sources (Uses)	112,625	(323,500)	(210,875)
NET CHANGE IN FUND BALANCE			
	\$ -	(70,432)	\$ 154,818
FUND BALANCE, BEGINNING OF YEAR			
		685,489	
FUND BALANCE, END OF YEAR			
		\$ 615,057	

See Independent Auditor's Report.

City of Lowell, Arkansas, Sewer System Trust Fund

Schedule of Capital Assets (Unaudited) December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Buildings	\$ 31,548	\$ 31,548
Equipment	58,837	58,837
Land	40,447	40,447
Vehicles	<u>51,199</u>	<u>51,199</u>
	<u>\$ 182,031</u>	<u>\$ 182,031</u>

See Independent Auditor's Report.

Supplementary Information

City of Lowell, Arkansas, Sewer System Trust Fund

Combining Statement of Assets, Liabilities,
and Fund Balance by Cash Account
December 31, 2022

	I-540	SPRINGDALE	STEP	ROGERS	TOTAL
ASSETS					
Cash and cash equivalents	\$ 44,271	\$ 284,925	\$ 153,800	\$ 160,838	\$ 643,834
Total Assets	<u>\$ 44,271</u>	<u>\$ 284,925</u>	<u>\$ 153,800</u>	<u>\$ 160,838</u>	<u>\$ 643,834</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Refundable deposits	\$ -	\$ -	\$ 63,000	\$ -	\$ 63,000
FUND BALANCE					
Restricted	44,271	284,925	90,800	160,838	580,834
Total Liabilities and Fund Balance	<u>\$ 44,271</u>	<u>\$ 284,925</u>	<u>\$ 153,800</u>	<u>\$ 160,838</u>	<u>\$ 643,834</u>

See Independent Auditor's Report.

City of Lowell, Arkansas, Sewer System Trust Fund

Combining Statement of Assets, Liabilities,
and Fund Balance by Cash Account
December 31, 2021

	I-49	SPRINGDALE	STEP	ROGERS	TOTAL
ASSETS					
Cash and cash equivalents	\$ 41,401	\$ 181,666	\$ 237,052	\$ 217,938	\$ 678,057
Total Assets	\$ 41,401	\$ 181,666	\$ 237,052	\$ 217,938	\$ 678,057
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Refundable deposits	\$ -	\$ -	\$ 63,000	\$ -	\$ 63,000
FUND BALANCE					
Restricted	41,401	181,666	174,052	217,938	615,057
Total Liabilities and Fund Balance	\$ 41,401	\$ 181,666	\$ 237,052	\$ 217,938	\$ 678,057

See Independent Auditor's Report.

City of Lowell, Arkansas, Sewer System Trust Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Cash Account Year ended December 31, 2022

	I-540	SPRINGDALE	STEP	ROGERS	TOTAL
REVENUES					
Sewer and STEP system hook-up fees	\$ 2,766	\$ 170,296	\$ -	\$ 61,000	\$ 234,062
STEP system user and order fees	-	-	156,956	-	156,956
Interest income	-	-	1,407	-	1,407
Miscellaneous income	-	-	710	-	710
Total Revenues	2,766	170,296	159,073	61,000	393,135
EXPENDITURES					
Dues and subscriptions	-	-	2,688	-	2,688
Employee benefits	-	-	37,455	-	37,455
Miscellaneous	-	-	5,286	-	5,286
Professional services	-	-	11,998	-	11,998
Salaries and payroll taxes	-	-	126,946	-	126,946
STEP system installation and maintenance fees	-	-	43,304	-	43,304
Sewer hook-up fees to Springdale	-	48,800	-	-	48,800
Sewer and water line improvements	-	-	18,900	-	18,900
Utilities	-	-	13,481	-	13,481
Total Expenditures	-	48,800	260,058	-	308,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,766	121,496	(100,985)	61,000	84,277
OTHER FINANCING SOURCES (USES)					
Intrafund transfers	104	(18,237)	17,733	400	-
Transfer out - General Fund	-	-	-	(118,500)	(118,500)
Total Other Financing Sources (Uses)	104	(18,237)	17,733	(118,100)	(118,500)
NET CHANGE IN FUND BALANCE	2,870	103,259	(83,252)	(57,100)	(34,223)
FUND BALANCE, BEGINNING OF YEAR	41,401	276,666	174,052	122,938	615,057
FUND BALANCE, END OF YEAR	\$ 44,271	\$ 379,925	\$ 90,800	\$ 65,838	\$ 580,834

See Independent Auditor's Report.

City of Lowell, Arkansas, Sewer System Trust Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Cash Account Year ended December 31, 2021

	I-49	SPRINGDALE	STEP	ROGERS	TOTAL
REVENUES					
Sewer and STEP system hook-up fees	\$ 6,830	\$ 205,000	\$ 9,921	\$ 196,000	\$ 417,751
STEP system user and order fees	-	-	153,825	-	153,825
Interest income	19	92	421	198	730
Miscellaneous income	-	-	499	-	499
Total Revenues	6,849	205,092	164,666	196,198	572,805
EXPENDITURES					
Dues and subscriptions	-	-	2,365	-	2,365
Employee benefits	-	-	34,430	-	34,430
Miscellaneous	-	-	2,565	-	2,565
Professional services	-	-	9,165	-	9,165
Salaries and payroll taxes	-	-	116,054	-	116,054
STEP system installation and maintenance fees	-	-	40,707	-	40,707
Sewer hook-up fees to Springdale	-	103,200	-	-	103,200
Utilities	-	-	11,251	-	11,251
Total Expenditures	-	103,200	216,537	-	319,737
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,849	101,892	(51,871)	196,198	253,068
OTHER FINANCING SOURCES (USES)					
Intra-fund activity	-	47,500	-	(47,500)	-
Transfer out - General Fund	-	-	-	(323,500)	(323,500)
Total Other Financing Sources (Uses)	-	47,500	-	(371,000)	(323,500)
NET CHANGE IN FUND BALANCE	6,849	149,392	(51,871)	(174,802)	(70,432)
FUND BALANCE, BEGINNING OF YEAR	34,552	127,274	225,923	297,740	685,489
FUND BALANCE, END OF YEAR	\$ 41,401	\$ 276,666	\$ 174,052	\$ 122,938	\$ 615,057

See Independent Auditor's Report.