



**CITY OF MAUMELLE, ARKANSAS**

**Annual Comprehensive Financial Report**

**For the Year Ended December 31, 2023**

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## ***Introductory Section***



December 13, 2024

To the Members of the Governing Council and Citizens of the City of Maumelle:

In accordance with state law, this Annual Comprehensive Financial Report is presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States. Under the direction of State law, the audit of every municipal corporation shall be made by either the Division of Legislative Audit or other independent persons licensed to practice accounting by the Arkansas State Board of Public Accountancy. Pursuant to that requirement, we submit to you the Annual Comprehensive Financial Report for the City of Maumelle, Arkansas, for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the City and consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Forvis Mazars, LLP a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ending December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### ***Profile of the City of Maumelle***

The City of Maumelle was incorporated on June 20, 1985, as a political subdivision of the State of Arkansas and is located in the central part of the state. Maumelle currently occupies 9 square miles of land bordering the Arkansas River and serves an estimated population of 19,452.

The City of Maumelle is formed in the Mayor-Council form of government. Legislative authority and approval of policies which represent Broad Statements of Intention are vested in the City Council consisting of eight council members. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the annual budget, and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and for appointing the various department directors. The City Council and Mayor are elected on a non-partisan basis. The Mayor is elected by the city, at large, for a term of four years. The Council members are elected by the city in wards for

staggering four year terms. The City of Maumelle provides a full range of services including police and fire protection; animal control; planning and zoning; sanitation services; parks and recreation; senior wellness services; district court; public works and streets; and general administrative services.

The annual budget serves as the basis for the City of Maumelle's financial planning and control. All departments are required to submit requests for appropriations to the Mayor. The Mayor uses these requests as a starting point for developing a proposed budget. The proposed budget is presented to the city council for review prior to December 1 of each year. Prior to adoption, the budget is discussed in an open forum to review the presentation and to obtain department specific information. State statute requires the adoption of the budget by February 1 of each year. As a practical matter, the city council usually adopts the budget at the first council meeting in December. The budget is prepared by fund, department and subcategory (legal level of control). Department heads may request, and the Mayor may authorize, transfers within each subcategory of that department's appropriated personnel, operations, and capital improvement funds. Transfers of appropriations between departments require the approval of City Council. The legal level of budgetary control is the level of each department's subcategories: personnel, operations, and capital improvements.

## ***Factors Affecting Financial Condition***

### ***Local Economy***

The City has a stable economic environment. The City has an established industrial park consisting of warehousing, distribution centers, and light manufacturing. Retail business within the City consists of restaurants, grocery stores, dry cleaners, and dry goods. The City is served by four banks, three regional and one national.

### ***Long-term financial planning***

The City's long-term Capital Improvement Program is the process by which we lay the groundwork for planning infrastructure improvements in the city. This process also sets financial parameters within which future planning and capital demand forecasts can be made. Our Capital Improvement Program enables us to provide the orderly replacement of facilities and equipment and to maintain the quality and efficiency of public services, including equipment, buildings, and other improvements. One of the strongest arguments for a well-ordered program is the ability to identify future infrastructure and capital needs prior to funding and implementation.

### ***Relevant financial policies***

Ordinance No. 438 was adopted in November of 2002. It sets the appropriate level of unassigned general fund balance to be maintained by the City, which is 20 percent of the current year's budgeted operating expenditures. If a situation presents itself, in which, the City Council feels that it is prudent and necessary to spend these unassigned funds, then it would need to pass an ordinance to amend or repeal ordinance 438. In a time where many state and local governments have experienced great financial turmoil, Maumelle's fund balance policy has provided great financial stability. Our General Fund's fund balance increased by \$1,459,934, in 2023.

### ***Major initiatives***

2023 marked an exceptional year for Maumelle, characterized by project initiatives. Among those are the much-anticipated Pickleball Courts and the City finalized the Master Bicycle and Pedestrian Plan in November. The City managed to maintain services considering staffing shortages and unprecedented supply chain issues, all while optimizing internal processes, modernizing and enhancing the way we serve the community, and strategically planning.

### ***Acknowledgments***

The preparation of the Annual Comprehensive Financial Report is a team effort performed by the entire Finance Department. We would like to express our sincere appreciation to each and every staff member with a big "Thank You" for a job well done.

We would like to acknowledge the thorough and professional manner in which Forvis Mazars, LLP conducted the annual audit.

Finally, we would like to acknowledge the contributions of the City Council who have consistently and actively supported the City's goal of excellence in all material aspects of fiscal management.

A handwritten signature in blue ink, appearing to read 'Caleb Norris', written over a horizontal line.

Caleb Norris  
Mayor

A handwritten signature in blue ink, appearing to read 'Beatriz Sousa', written over a horizontal line.

Beatriz Sousa  
Director of Finance



**Officials of the City of Maumelle, Arkansas**

**Elected Officials**

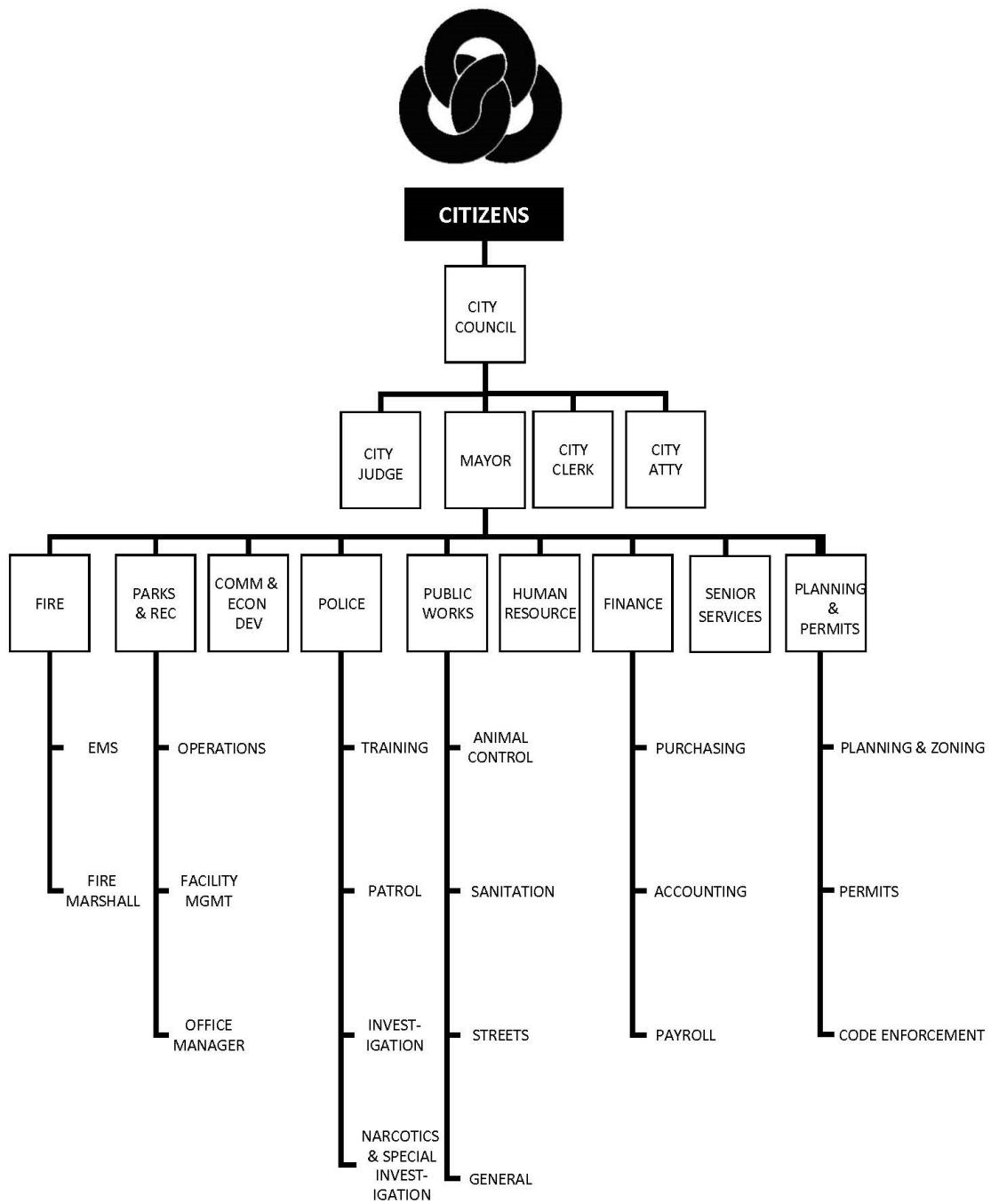
Caleb Norris	Mayor
Steve Mosley	Ward 1, Position 1
Christine Gronwald	Ward 1, Position 2
R.J. Mazonni	Ward 2, Position 1
Chad Gardner	Ward 2, Position 2
Terry Williams	Ward 3, Position 1
Michael Tierney	Ward 3, Position 2
Doug Shinn	Ward 4, Position 1
Jess Holt	Ward 4, Position 2
Andrew Thornton	City Attorney
Tina Timmons	City Clerk/Treasurer
Rita Bailey	District Court Judge

**City Commissions  
Chair People**

Billy Herrington	Civil Service Commission
David Gershner	Planning Commission
Dave Gattinger	Public Facilities Board

**City of Maumelle, Arkansas**  
**Organizational Structure**  
**December 31, 2023**

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## ***Financial Section***

## **Independent Auditor's Report**

Honorable Caleb Norris, Mayor  
and Members of the City Council  
City of Maumelle, Arkansas  
Maumelle, Arkansas

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maumelle, Arkansas (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the general and street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 (*Government Auditing Standards*). 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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 12 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 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 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 13, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

**Little Rock, Arkansas  
December 13, 2024**

Management of the City of Maumelle (City) provides this Management's Discussion and Analysis. This narrative overview of the City's financial activities is for the year ended December 31, 2023. We encourage readers to consider the information presented in conjunction with the City's financial statements, which follow.

### ***Financial Highlights***

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources as of December 31, 2023 by \$69,695,004 (presented as net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,069,188, an increase of \$789,680, due to an increase in sales tax revenue.
- At the end of the current fiscal year, fund balance for the general fund was \$14,117,741, or 84% of total general fund expenditures, which is over the required reserves (20%).
- The City's total bonds payable decreased by \$2,780,921 due to principal payments.

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

### ***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property taxes and earned but unused compensated absences.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include general government (financial and administration), public safety, highways and streets, economic development, legal and judicial, and culture and recreation. The business-type activities of the City include sanitation services.

The government-wide financial statements can be found on pages 11 and 12 of this report.

## ***Fund Financial Statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental Funds***

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street fund, and the debt service fund, all of which are considered to be major funds. Data from the other eight nonmajor governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund and street fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13–18 of this report.

### ***Proprietary Funds***

Although there are two different types of proprietary funds, the City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City maintains an enterprise fund to report the functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its sanitation operations. The City does not have any internal service funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the sanitation operation, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 19–22 of this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one type of fiduciary fund and that is the courts custodial fund.



**City of Maumelle, Arkansas**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2023**

The City uses the custodial fund to account for monies received in the court system for bail bonds and court cases yet to be adjudicated. The basic fiduciary fund financial statements can be found on pages 23–24 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25–52 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information and additional financial schedules. These can be found on pages 53–91 of this reporting package.

**Government-Wide Financial Analysis**

The following table looks at the City as a whole and provides a summary of its net position for 2023 compared to 2022:

City of Maumelle Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 27,788,759	\$ 27,105,769	\$ 450,768	\$ 1,087,104	\$ 28,239,527	\$ 28,192,873
Capital and lease assets	65,817,944	66,244,708	809,258	488,110	66,627,202	66,732,818
Total assets	93,606,703	93,350,477	1,260,026	1,575,214	94,866,729	94,925,691
Total deferred outflows of resources	2,864,509	4,546,216	-	-	2,864,509	4,546,216
Other liabilities	938,525	1,480,469	31,468	107,500	969,993	1,587,969
Long-term liabilities	25,503,851	29,771,073	10,096	22,018	25,513,947	29,793,091
Total liabilities	26,442,376	31,251,542	41,564	129,518	26,483,940	31,381,060
Total deferred inflows of resources	1,552,294	1,809,665	-	-	1,552,294	1,809,665
Net position						
Net investment in capital assets	53,546,890	51,738,596	809,258	488,108	54,356,148	52,226,704
Restricted	7,084,820	7,788,538	-	-	7,084,820	7,788,538
Unrestricted	7,844,832	5,308,352	409,204	957,588	8,254,036	6,265,940
Total net position	<u>\$ 68,476,542</u>	<u>\$ 64,835,486</u>	<u>\$ 1,218,462</u>	<u>\$ 1,445,696</u>	<u>\$ 69,695,004</u>	<u>\$ 66,281,182</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,695,004 as of the end of December 31, 2023. The largest portion of the City's net position (\$54,356,148) reflects its investment in capital assets (e.g, land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**City of Maumelle, Arkansas**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2023**

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital asset themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$7,084,820, represents resources that are subject to external restrictions on how they may be used. The remaining net position of \$8,254,036 is unrestricted.

**Analysis of the City's Operations**

The following table provides a summary of the City's operations for the years ended December 31, 2023 and 2022.

<b>City of Maumelle</b> <b>Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,201,587	\$ 2,118,097	\$ 1,343,807	\$ 1,314,429	\$ 3,545,394	\$ 3,432,526
Operating grants and contributions	173,767	547,862	-	-	173,767	547,862
Capital grants and contributions	4,243	9,688	-	-	4,243	9,688
General revenues						
Property taxes	3,440,891	2,793,895	-	-	3,440,891	2,793,895
Sales taxes	13,767,785	12,370,807	-	-	13,767,785	12,370,807
Franchise taxes	1,921,583	1,871,282	-	-	1,921,583	1,871,282
Intergovernmental	1,805,771	1,948,529	-	-	1,805,771	1,948,529
Miscellaneous	52,261	256,081	-	32,771	52,261	288,852
Investment earnings	512,095	132,347	-	-	512,095	132,347
<b>Total Revenues</b>	<b>23,879,983</b>	<b>22,048,588</b>	<b>1,343,807</b>	<b>1,347,200</b>	<b>25,223,790</b>	<b>23,395,788</b>
<b>Expenses</b>						
Administrative services	3,576,976	3,795,634	-	-	3,576,976	3,795,634
Highways and streets	3,120,683	3,115,713	-	-	3,120,683	3,115,713
Legal and judicial	436,106	344,421	-	-	436,106	344,421
Culture and recreation	2,714,914	2,385,275	-	-	2,714,914	2,385,275
Public safety	9,399,070	9,259,712	-	-	9,399,070	9,259,712
Economic development	499,573	563,975	-	-	499,573	563,975
Interest on long-term debt	491,605	748,437	-	-	491,605	748,437
Sanitation	-	-	1,571,041	1,528,355	1,571,041	1,528,355
<b>Total Expenses</b>	<b>20,238,927</b>	<b>20,213,167</b>	<b>1,571,041</b>	<b>1,528,355</b>	<b>21,809,968</b>	<b>21,741,522</b>
<b>Change in Net Position</b>	<b>3,641,056</b>	<b>1,835,421</b>	<b>(227,234)</b>	<b>(181,155)</b>	<b>3,413,822</b>	<b>1,654,266</b>
<b>Net Position – January 1</b>	<b>64,835,486</b>	<b>63,000,065</b>	<b>1,445,696</b>	<b>1,626,851</b>	<b>66,281,182</b>	<b>64,626,916</b>
<b>Net Position – December 31</b>	<b>\$ 68,476,542</b>	<b>\$ 64,835,486</b>	<b>\$ 1,218,462</b>	<b>\$ 1,445,696</b>	<b>\$ 69,695,004</b>	<b>\$ 66,281,182</b>

### ***Governmental Activities***

Governmental activities increased the City's net position by \$3,641,056 for an ending balance of \$68,476,542. Governmental activities revenue increased by a \$1,831,395 (8%) from the previous year, while expenses increased by \$25,760 (0.13%).

At the end of 2023, operating grants and contributions in governmental funds were less than the prior year by \$374,095. This change is primarily associated with specific grants the City received in 2022 for public works. These grants were not received in 2023. Additionally, property taxes and sales taxes increased by \$646,996 and \$1,396,978, respectively, due to economic development activities. The primary increase in expenses for 2023 was due to an increase in legal and judicial and culture and recreational expenses, which was offset by a decrease in administrative services expenses.

### ***Business-Type Activities***

Business-type activities results for the current fiscal year decreased the City's overall net position by \$227,234 to a total ending balance of \$1,218,462 for business type activities (sanitation).

### ***Financial Analysis of Governmental Funds***

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### ***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,069,188, an increase of 3%, in comparison, with the prior year. Approximately 57% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, assigned, or committed to indicate that it is 1) not in spendable form \$287,188, 2) restricted for particular purposes \$8,004,521, or 3) committed by the City Council for particular purposes \$ 2,072,834.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13,830,553 and total fund balance was \$14,117,741. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 82% of total General Fund expenditures, while total fund balance represents approximately 84% of that same amount. The General Fund's fund balance increased by \$1,459,934 related to an increase in sales taxes.

The Street Fund is a special revenue fund of the City in which the funds are restricted for specific purposes. At the end of the current fiscal year, the total fund balance of the Street Fund was \$5,322,233. The Street Fund balance increased by \$692,385 related to a decrease in Street Fund capital spending.

The Debt Services Fund includes all funds held by the trustee for payment of the City's debt. The Restricted fund balance at the end of the current fiscal year was \$1,416,208. The fund balance decreased by \$672,363 due to principal and interest bond payments.

### ***Budgetary Highlights***

#### ***Original Budget Compared to Final Budget – General Fund***

During the year, there were several amendments to the original budget in 2023 including the following:

- Resolution 2023-23 to upgrade existing police body and in-car cameras for \$50,000
- Resolution 2023-24 to cover expenditures for Solar Eclipse for \$115,000
- Resolution 2023-29 to cover pickleball courts construction for \$400,000

#### ***Final Budget compared to Actual Results***

**General Fund Revenues** – General fund revenues were \$1,657,043 higher than budgeted. The largest revenue sources over budget were sale taxes and investment income and sales tax. Tax revenue increased in 2023 compared to 2022 due to an increase in sales and the effect of higher inflation.

**General Fund Expenditures** – Overall, the general fund expenses were under budget by \$3,504,782 due primarily to some capital projects that were budgeted for but not completed in the 2023 for the pickleball courts and Gateway Park. Additionally, some salaries and benefits were budgeted for based on all positions being filled, but there were some vacant positions during 2023.

**Street Fund Revenues** – Street fund revenues were \$275,975 over budget. The largest revenue over budget was intergovernmental revenues due to an increase in state turnback.

**Street Fund Expenditures** – Overall the street fund expenditures were \$1,592,570 under budget due to various budgeted capital outlay projects that were not completed in 2023 due to time constraints or planned multi-year projects.

### ***Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$66,366,096 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, vehicles, and infrastructure. The total net decrease in the City's investment in capital assets for the current fiscal year was \$10,476.

Major capital asset events during the current fiscal year included the following:

- Increases in infrastructure for governmental activities totaling \$172,362
- Additions to governmental buildings totaling \$38,890
- Additions to governmental equipment totaling \$1,296,539
- Additions to construction in progress totaling \$1,202,256 primarily for park and street projects.

**City of Maumelle, Arkansas**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2023**

<b>City of Maumelle's Capital Assets</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land	\$ 8,736,172	\$ 8,736,172	\$ -	\$ -	\$ 8,736,172	\$ 8,736,172
Building	36,082,218	36,043,328	250,381	250,381	36,332,599	36,293,709
Equipment	14,765,158	13,468,619	2,943,672	2,368,553	17,708,830	15,837,172
Infrastructure	37,829,110	37,656,748	-	-	37,829,110	37,656,748
Construction in progress	8,220,561	7,018,305	-	-	8,220,561	7,018,305
Accumulated depreciation	<u>(40,076,381)</u>	<u>(37,034,710)</u>	<u>(2,384,795)</u>	<u>(2,130,824)</u>	<u>(42,461,176)</u>	<u>(39,165,534)</u>
Total	<u>\$ 65,556,838</u>	<u>\$ 65,888,462</u>	<u>\$ 809,258</u>	<u>\$ 488,110</u>	<u>\$ 66,366,096</u>	<u>\$ 66,376,572</u>

Additional information on the City's capital assets can be found on pages 34–35 of this report.

### ***Debt Administration***

At the end of the current fiscal year, the City had total bonded debt outstanding of \$13,252,462. The Series 2019 bonds are revenue bonds totaling \$8,360,000 secured solely by franchise fee revenue. The Series 2018 Bonds are Sales Tax bonds totaling \$4,680,000 secured solely by sales tax revenue.

<b>City of Maumelle's Outstanding Debt</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
<b>Governmental Activities</b>					
Bonds:					
2018 Series	\$ 10,715,000	\$ -	\$ 2,355,000	\$ 8,360,000	\$ 575,000
2019 Series	5,085,000	-	405,000	4,680,000	420,000
Premium	233,383	-	20,921	212,462	-
Total bonds payable	<u>\$ 16,033,383</u>	<u>\$ -</u>	<u>\$ 2,780,921</u>	<u>\$ 13,252,462</u>	<u>\$ 995,000</u>

Total long-term bonds outstanding at December 31, 2023 decreased by \$2,780,921. The decrease is related to principal payments. Additional information regarding the City's long-term debt can be found in Note 10 of this report.

### ***Economic Factors and Next Year's Budgeted Rates***

The City of Maumelle has continued to experience growth in population, economic development, and revenues. The 2024 budget was approved with General Fund revenues consistent with 2023.

### ***Requests for Information***

This financial report is designed to provide an overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be directed to the Director of Finance, City of Maumelle, 550 Edgewood Drive, Maumelle, Arkansas 72113.

**City of Maumelle, Arkansas**  
**Statement of Net Position**  
**December 31, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 18,198,108	\$ 335,653	\$ 18,533,761
Certificates of deposit	2,371,974	-	2,371,974
Taxes receivable	4,631,709	-	4,631,709
Accounts receivable – net	61,044	115,115	176,159
Prepays	287,188	-	287,188
Restricted assets			
Cash and cash equivalents	2,238,736	-	2,238,736
Capital assets - net			
Land	8,736,172	-	8,736,172
Buildings	16,578,188	111,365	16,689,553
Equipment	3,373,697	697,893	4,071,590
Infrastructure	28,648,220	-	28,648,220
Construction in progress	8,220,561	-	8,220,561
Lease assets	261,106	-	261,106
TOTAL ASSETS	93,606,703	1,260,026	94,866,729
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow – pensions	2,611,279	-	2,611,279
Deferred charge on refunding	253,230	-	253,230
TOTAL DEFERRED OUTFLOW OF RESOURCES	2,864,509	-	2,864,509
<b>LIABILITIES</b>			
Accounts payable	31,382	534	31,916
Payroll taxes payable	50,164	4,270	54,434
Other payroll withholdings payable	349,200	6,475	355,675
Other accrued payables	250,857	14,792	265,649
Accrued interest payable	184,110	-	184,110
Sales taxes payable	2,412	-	2,412
Unearned revenue	70,400	-	70,400
Noncurrent liabilities:			
Due within one year	1,221,154	5,397	1,226,551
Due in more than one year	24,282,697	10,096	24,292,793
TOTAL LIABILITIES	26,442,376	41,564	26,483,940
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow - pensions	1,552,294	-	1,552,294
TOTAL DEFERRED INFLOWS OF RESOURCES	1,552,294	-	1,552,294
<b>NET POSITION</b>			
Net investment in capital assets	53,546,890	809,258	54,356,148
Restricted for:			
Debt Service	1,416,208	-	1,416,208
Streets	5,609,421	-	5,609,421
Municipal Court Automation	59,191	-	59,191
Unrestricted	7,844,832	409,204	8,254,036
TOTAL NET POSITION	\$ 68,476,542	\$ 1,218,462	\$ 69,695,004

FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense), Revenue, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental Activities:							
Administrative services	\$ 3,576,976	\$ -	\$ -	\$ -	\$ (3,576,976)	\$ -	\$ (3,576,976)
Legal and judicial	436,106	191,505	-	-	(244,601)	-	(244,601)
Public safety	9,399,070	1,011,362	38,425	4,243	(8,345,040)	-	(8,345,040)
Highways and streets	3,120,683	5,905	-	-	(3,114,778)	-	(3,114,778)
Culture and recreation	2,714,914	695,526	135,342	-	(1,884,046)	-	(1,884,046)
Economic development	499,573	297,289	-	-	(202,284)	-	(202,284)
Interest on long-term debt	491,605	-	-	-	(491,605)	-	(491,605)
Total governmental activities	20,238,927	2,201,587	173,767	4,243	(17,859,330)	-	(17,859,330)
Business-type activities:							
Sanitation	1,571,041	1,343,807	-	-	-	(227,234)	(227,234)
Total primary government	\$ 21,809,968	\$ 3,545,394	\$ 173,767	\$ 4,243	(17,859,330)	(227,234)	(18,086,564)
General revenues:							
Property taxes					3,440,891	-	3,440,891
Utility franchise fees					1,921,583	-	1,921,583
Sales taxes					13,767,785	-	13,767,785
Intergovernmental – unrestricted					296,518	-	296,518
Intergovernmental – restricted					1,509,253	-	1,509,253
Miscellaneous					52,261	-	52,261
Investment income					512,095	-	512,095
Total general revenues					21,500,386	-	21,500,386
Change in net position					3,641,056	(227,234)	3,413,822
NET POSITION - BEGINNING					64,835,486	1,445,696	66,281,182
NET POSITION - ENDING	\$ 68,476,542	\$ 1,218,462	\$ 69,695,004				

**City of Maumelle, Arkansas**  
**Balance Sheet – Governmental Funds**  
**December 31, 2023**

	<b>General</b>	<b>Street</b>	<b>Debt Service</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash	\$ 12,134,982	\$ 4,014,888	\$ 253,566	\$ 1,794,672	\$ 18,198,108
Funds held by trustee	-	-	996,222	1,242,514	2,238,736
Certificates of deposit	1,209,675	1,162,299	-	-	2,371,974
Taxes receivable	3,461,946	836,923	166,420	166,420	4,631,709
Accounts receivable – net	51,644	-	-	9,400	61,044
Prepays	287,188	-	-	-	287,188
<b>Total Assets</b>	<b>17,145,435</b>	<b>6,014,110</b>	<b>1,416,208</b>	<b>3,213,006</b>	<b>27,788,759</b>
<b>LIABILITIES</b>					
Accounts payable	25,180	6,202	-	-	31,382
Payroll taxes payable	56,676	3,613	-	-	60,289
Other payroll withholdings payable	334,752	4,323	-	-	339,075
Other accrued payables	242,562	10,707	-	-	253,269
Unearned Revenue – other	70,400	-	-	-	70,400
<b>Total Liabilities</b>	<b>729,570</b>	<b>24,845</b>	<b>-</b>	<b>-</b>	<b>754,415</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue – property tax	2,298,124	667,032	-	-	2,965,156
<b>Total Deferred Inflows of Resources</b>	<b>2,298,124</b>	<b>667,032</b>	<b>-</b>	<b>-</b>	<b>2,965,156</b>
<b>FUND BALANCES</b>					
Nonspendable	287,188	-	-	-	287,188
Restricted	-	5,322,233	1,416,208	1,266,080	8,004,521
Committed	-	-	-	2,072,834	2,072,834
Unassigned	13,830,553	-	-	(125,908)	13,704,645
<b>Total Fund Balances</b>	<b>14,117,741</b>	<b>5,322,233</b>	<b>1,416,208</b>	<b>3,213,006</b>	<b>24,069,188</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,145,435</b>	<b>\$ 6,014,110</b>	<b>\$ 1,416,208</b>	<b>\$ 3,213,006</b>	<b>\$ 27,788,759</b>



**City of Maumelle, Arkansas**  
**Reconciliation of Balance Sheet**  
**Governmental Funds to the Statement of Net Position**  
**December 31, 2023**

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Total fund balances – governmental funds	\$ 24,069,188
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets, net of accumulated depreciated used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	65,556,838
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	261,106
Net deferred inflows and outflows related to pensions	1,058,985
Long-term liabilities of \$25,500,060 and related deferred charges on refunding of \$253,230 are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(25,250,621)
Interest accrued on long-term debt in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(184,110)
Property taxes are recognized as revenue in the period in which levied in the government-wide financial statements but are reported as unavailable revenue in the governmental funds.	2,965,156
Net position of governmental activities	<u>\$ 68,476,542</u>

**City of Maumelle, Arkansas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds**  
**Year Ended December 31, 2023**

	General	Street	Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>					
Millage tax	\$ 2,352,339	\$ 664,573	\$ -	\$ -	\$ 3,016,912
Franchise fees	1,921,583	-	-	-	1,921,583
Sales tax	9,763,417	-	2,002,184	2,002,184	13,767,785
Intergovernmental revenues	744,739	1,615,631	-	210,264	2,570,634
Public safety fees	390,996	-	-	25,077	416,073
Parks and recreation fees	695,053	-	-	-	695,053
Legal and judicial fees	181,784	-	-	9,421	191,205
Community development	297,289	-	-	-	297,289
Investment income	325,237	62,704	57,081	67,073	512,095
Donations	2,816	-	-	7,526	10,342
Other revenue	50,966	6,067	-	-	57,033
<b>Total Revenues</b>	<b>16,726,219</b>	<b>2,348,975</b>	<b>2,059,265</b>	<b>2,321,545</b>	<b>23,456,004</b>
<b>Expenditures</b>					
Administrative services	2,028,236	-	-	-	2,028,236
Legal and judicial	431,605	-	-	4,501	436,106
Public safety	8,898,983	-	-	16,585	8,915,568
Highways and streets	940,570	1,070,209	-	-	2,010,779
Parks and recreation	1,822,600	-	-	-	1,822,600
Senior services	663,788	122,244	-	-	786,032
Community and economic development	497,601	-	-	1,972	499,573
Debt service:					
Principal	108,322	-	2,760,000	-	2,868,322
Interest	12,002	-	494,680	-	506,682
Debt service fees	-	-	3,798	3,833	7,631
Capital outlay:					
Administrative services	97,638	-	-	-	97,638
Public safety	930,321	-	-	-	930,321
Public works and streets	91,839	386,637	-	1,064,763	1,543,239
Parks and recreation	256,625	-	-	775	257,400
<b>Total Expenditures</b>	<b>16,780,130</b>	<b>1,579,090</b>	<b>3,258,478</b>	<b>1,092,429</b>	<b>22,710,127</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(53,911)</b>	<b>769,885</b>	<b>(1,199,213)</b>	<b>1,229,116</b>	<b>745,877</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	43,803	-	-	-	43,803
Transfers in	2,002,311	-	532,010	199,544	2,733,865
Transfers out	(532,269)	(77,500)	(5,160)	(2,118,936)	(2,733,865)
<b>Total Other Financing Sources (Uses)</b>	<b>1,513,845</b>	<b>(77,500)</b>	<b>526,850</b>	<b>(1,919,392)</b>	<b>43,803</b>
Net change in fund balances	1,459,934	692,385	(672,363)	(690,276)	789,680
<b>Fund Balance - Beginning of Year</b>	<b>12,657,807</b>	<b>4,629,848</b>	<b>2,088,571</b>	<b>3,903,282</b>	<b>23,279,508</b>
<b>Fund Balance - End of Year</b>	<b>\$ 14,117,741</b>	<b>\$ 5,322,233</b>	<b>\$ 1,416,208</b>	<b>\$ 3,213,006</b>	<b>\$ 24,069,188</b>

**City of Maumelle, Arkansas**  
**Reconciliation of Statement of Revenues, Expenditures and Changes In Fund Balance to**  
**Statement of Activities**  
**Year Ended December 31, 2023**

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Net change in fund balances – total governmental funds	\$ 789,680
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount of capital assets recorded in the current period.

Capital asset purchases	2,781,314
Depreciation Expense	(3,112,938)

Governmental funds report new leases as expenditures.

However, in the statement of activities, the cost of the leases is amortized over the lease period and reported as amortization expense. This is the amount of leases recorded in the current period

New leases	43,803
Amortization expense on lease assets	(108,322)
Termination of lease	(30,621)

Current-year changes in long-term liabilities for compensated absences required the use of current financial resources; therefore, they are reported as expenditures in the governmental funds but not in the statement of activities.

(5,134)

Changes to net pension liability and pension-related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(2,718)

Changes to interest accrued on bonds payable in current year required the use of current financial resources but are not reported as expenses in the governmental activities.

11,275

The repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2,868,322

The issuance of leases provide current financial resources to the governmental funds, but issuing leases increase long-term liabilities in the statement of net position.

(43,803)

The termination of leases do not require the use of current financial resources and, therefore, are not reported as a gain in the governmental funds.

30,621

**City of Maumelle, Arkansas**  
**Reconciliation of Statement of Revenues, Expenditures and Changes In Fund Balance**  
**to Statement of Activities (Continued)**  
**Year Ended December 31, 2023**

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Bond premiums are reported as revenue in the governmental funds and amortized over the life of the statement of activities. The purchase price in excess of face value of the Series 2019 Revenue bonds is reported as an expenditure in governmental funds and amortized over the remaining life of the original debt in the Statement of Activities.

Amortization of premium – Series 2015 bonds	\$	20,921
Amortization of purchase price in excess of face value of Series 2019 revenue bonds		(25,323)

Net change in property tax receivables that do not provide current financial resources are not reported as revenues in the funds		<u>423,979</u>
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Change in net position of governmental activities	\$	<u><u>3,641,056</u></u>
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**City of Maumelle, Arkansas**

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual  
Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Millage tax	\$ 2,175,000	\$ 2,175,000	\$ 2,352,339	\$ 177,339
Franchise fees	1,800,000	1,800,000	1,921,583	121,583
Sales tax	8,835,000	8,835,000	9,763,417	928,417
Intergovernmental revenues	703,000	703,000	744,739	41,739
Public safety fees	378,850	381,850	390,996	9,146
Parks and recreation fees	694,050	694,050	695,053	1,003
Legal and judicial fees	179,200	179,200	181,784	2,584
Community development	250,000	247,000	297,289	50,289
Investment income	11,000	11,000	325,237	314,237
Donations	2,500	2,500	2,816	316
Other revenue	6,000	40,576	50,966	10,390
<b>Total Revenues</b>	<u>15,034,600</u>	<u>15,069,176</u>	<u>16,726,219</u>	<u>1,657,043</u>
<b>Expenditures</b>				
Current expenditures:				
Administrative services	2,284,805	2,380,533	2,028,236	352,297
Legal and judicial	443,095	474,095	431,605	42,490
Public safety	9,620,354	9,713,189	8,898,983	814,206
Highways and streets	861,254	878,766	940,570	(61,804)
Parks and recreation	1,819,751	1,919,751	1,822,600	97,151
Senior services	701,862	711,962	663,788	48,174
Community and economic development	507,445	508,554	497,601	10,953
Total current expenditures	<u>16,238,566</u>	<u>16,586,850</u>	<u>15,283,383</u>	<u>1,303,467</u>
Debt service:				
Principal	-	-	108,322	(108,322)
Interest	-	-	12,002	(12,002)
Total debt service	<u>-</u>	<u>-</u>	<u>120,324</u>	<u>(120,324)</u>
Capital outlay:				
Administrative services	102,500	102,500	97,638	4,862
Public safety	914,010	1,102,762	930,321	172,441
Public works and streets	122,850	122,850	91,839	31,011
Parks and recreation	1,970,000	2,369,950	256,625	2,113,325
Total capital outlay	<u>3,109,360</u>	<u>3,698,062</u>	<u>1,376,423</u>	<u>2,321,639</u>
<b>Total Expenditures</b>	<u>19,347,926</u>	<u>20,284,912</u>	<u>16,780,130</u>	<u>3,504,782</u>
<b>Excess (Deficiency) Of Revenues over Expenditures</b>	<u>(4,313,326)</u>	<u>(5,215,736)</u>	<u>(53,911)</u>	<u>5,161,825</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	-	-	43,803	43,803
Transfers in	1,750,000	1,750,000	2,002,311	252,311
Transfers out	(542,066)	(542,066)	(532,269)	9,797
<b>Total Other Financing Sources (Uses)</b>	<u>1,207,934</u>	<u>1,207,934</u>	<u>1,513,845</u>	<u>305,911</u>
<b>Net Change In Fund Balance</b>	<u>\$ (3,105,392)</u>	<u>\$ (4,007,802)</u>	<u>1,459,934</u>	<u>\$ 5,467,736</u>
<b>Fund Balance – Beginning of Year</b>			<u>12,657,807</u>	
<b>Fund Balance – End of Year</b>			<u>\$ 14,117,741</u>	

**City of Maumelle, Arkansas**

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual  
Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Millage tax	\$ 580,000	\$ 580,000	\$ 664,573	\$ 84,573
Intergovernmental revenues	1,490,000	1,490,000	1,615,631	125,631
Investment income	2,000	2,000	62,704	60,704
Other revenue	1,000	1,000	6,067	5,067
<b>Total Revenues</b>	<u>2,073,000</u>	<u>2,073,000</u>	<u>2,348,975</u>	<u>275,975</u>
<b>Expenditures</b>				
Current expenditures:				
Highways and streets	1,504,365	1,546,469	1,070,209	476,260
Senior services	161,361	161,361	122,244	39,117
Capital outlay:				
Public works and streets	1,390,275	1,463,830	386,637	1,077,193
<b>Total Expenditures</b>	<u>3,056,001</u>	<u>3,171,660</u>	<u>1,579,090</u>	<u>1,592,570</u>
<b>Excess (Deficiency) Of Revenues over Expenditures</b>	<u>(983,001)</u>	<u>(1,098,660)</u>	<u>769,885</u>	<u>1,868,545</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(52,500)	(52,500)	(77,500)	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(52,500)</u>	<u>(52,500)</u>	<u>(77,500)</u>	<u>(25,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,035,501)</u>	<u>\$ (1,151,160)</u>	<u>692,385</u>	<u>\$ 1,843,545</u>
<b>Fund Balance – Beginning of Year</b>			<u>4,629,848</u>	
<b>Fund Balance – End of Year</b>			<u>\$ 5,322,233</u>	

**City of Maumelle, Arkansas**  
**Statement of Net Position – Proprietary Funds**  
**December 31, 2023**

	<u><b>Sanitation</b></u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 335,653
Accounts receivable – net	115,115
Total current assets	<u>450,768</u>
Noncurrent assets	
Buildings – net	111,365
Equipment – net	697,893
Total noncurrent assets	<u>809,258</u>
<b>Total Assets</b>	<u><u>1,260,026</u></u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	534
Payroll taxes payable	4,270
Other payroll withholdings payable	6,475
Accrued salaries	14,792
Compensated absences	5,397
Total current liabilities	<u>31,468</u>
Noncurrent liabilities	
Compensated absences	10,096
Total noncurrent liabilities	<u>10,096</u>
<b>Total Liabilities</b>	<u><u>41,564</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	809,258
Unrestricted	<u>409,204</u>
<b>Total Net Position</b>	<u><u>\$ 1,218,462</u></u>

**City of Maumelle, Arkansas**  
**Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds**  
**Year Ended December 31, 2023**

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	<u><b>Sanitation</b></u>
<b>Operating Revenues</b>	
Charges for sanitation services	\$ 1,343,807
Total Operating Revenues	<u>1,343,807</u>
<b>Operating Expenses</b>	
Personnel	670,614
Operating supplies	646,456
Depreciation	253,971
Total Operating Expenses	<u>1,571,041</u>
<b>Change in Net Position</b>	(227,234)
<b>Total Net Position – Beginning Of Year</b>	<u>1,445,696</u>
<b>Total Net Position – End Of Year</b>	<u><u>\$ 1,218,462</u></u>



**City of Maumelle, Arkansas**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended December 31, 2023**

	<b>Business-Type Activities</b>
	<b>Sanitation</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers and users	\$ 1,343,599
Payments to suppliers	(690,951)
Payments to employees	(699,175)
Net cash used in operating activities	<u>(46,527)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of capital assets	(575,119)
Net cash used in capital and related financing activities	<u>(575,119)</u>
Net decrease in cash and cash equivalents	(621,646)
Cash and cash equivalents, January 1, 2023	<u>957,299</u>
Cash and cash equivalents, December 31, 2023	<u>\$ 335,653</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating loss	\$ (227,234)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense	253,971
Change in accounts receivable	(208)
Change in accounts payable	(59,393)
Change in payroll tax payable	(20,654)
Change in accrued salaries	(1,382)
Change in accrued expenses	14,898
Change in compensated absence payable	(6,525)
Total adjustments	<u>180,707</u>
Net cash used in operating activities	<u>\$ (46,527)</u>

**City of Maumelle, Arkansas**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

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	<b>District Court Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 102,984
<b>Total Assets</b>	<u>102,984</u>
 <b>NET POSITION</b>	
Restricted for	
Amounts due to other parties	<u>\$ 102,984</u>

**City of Maumelle, Arkansas**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2023**

	<b><u>District Court Custodial Funds</u></b>
<b>Additions</b>	
Seized cash and other financial assets	\$ 488,051
Total additions	<u>488,051</u>
<b>Deductions</b>	
Distribution of seized cash and other financial assets	<u>437,203</u>
Total deductions	<u>437,203</u>
<b>Change in Net Position</b>	50,848
<b>Net Position, Beginning of Year</b>	<u>52,136</u>
<b>Net Position, End of Year</b>	<u>\$ 102,984</u>

## **Note 1. Summary of Significant Accounting Policies**

### ***Description of Government-Wide Financial Statements***

The government-wide financial statements (*i.e.*, the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary Government is reported separately from certain legally separate component units for which the primary government is financially accountable. The City does not have any component units.

### ***Reporting Entity***

The City of Maumelle, Arkansas (City), is a municipal corporation governed by an elected mayor and eight-member council. The City was chartered on December 1, 1985 under the provisions of the State of Arkansas. The City operates under a Mayor/Council form of government and provides the following services: police and fire protection; animal control; planning and zoning; sanitation services; culture and recreation; district court; public works and streets; and general administrative services.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB).

### ***Basis of Presentation – Government-Wide Financial Statements***

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Expenses that cannot be specifically identified to a particular function are charged to funds based on time spent for that function and are included in the functional categories. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

### ***Basis of Presentation – Fund Financial Statements***

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

**General Fund** – The General Fund is the primary operating fund of the City. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

**Street Fund** – The Street Fund is a special revenue fund derived from taxes and intergovernmental funds earmarked specifically for street expenditures.

*Debt Service Fund* – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The City reports the following major proprietary fund:

*Sanitation Fund* – Proprietary Funds account for operations that are financed and operated in a manner similar to private industry. The City uses the Sanitation Fund to report the operations of the solid waste operation.

Additionally, the City reports the following fiduciary fund:

*District Court Custodial Fund* – The District Court Custodial Fund is a fiduciary fund that has been established to account for amounts held in custody for individuals and other governments in connection with municipal court cases not yet adjudicated.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

#### ***Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

### ***Budgetary Information***

On or before December 1, the Mayor submits to the Council a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the current year, along with estimates and actual data for the year. The budget is submitted in detailed line item form for administrative control. The budget is legally enacted through passage of a resolution.

Formal budgetary information is employed as a management control device during the year. Budgets for the General and Special Revenue – Street Fund are adopted on the same basis of accounting as used by the City, which is a basis consistent with generally accepted accounting principles.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (*i.e.*, purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The actual results of operations, compared to the final appropriation, which include amendments to the original appropriation, for each fund type by expenditure function and revenue source are presented in the Budgetary Comparison Schedules for the General Fund and for the Street Fund for the current year.

### ***Cash and Cash Equivalents***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In order to facilitate cash management, the operating cash of certain funds is pooled into common bank accounts.

### ***Investments***

Investments for the City are reported at fair value. State statutes authorize the City to invest in obligations of the U.S. Treasury, Arkansas bank certificates of deposit, and Arkansas financial institution repurchase agreements.

### ***Prepaid Items***

Payments made to vendors for services that benefit future periods are recorded as prepaid items in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed.

### ***Receivables***

Accounts receivable are recorded in the General, Special Revenue, and Proprietary fund types. All accounts receivable are stated at the amounts billed to customers or pending reimbursement from granting agencies. All funds utilize the allowance method of accounting for uncollectible accounts receivable where appropriate. Management uses significant judgment in estimating uncollectible amounts. While management believes the processes effectively address its exposure to doubtful accounts, changes in economic, industry, or specific customer conditions may require adjustments.

**Restricted Assets**

Certain proceeds of the City’s revenue bonds and general obligation bonds, as well as certain resources set aside for the repayment of the City’s revenue bonds and general obligation bonds, are classified as restricted assets on the statement of net position and are maintained in separate bank accounts and their use is limited by applicable bond covenants. The construction accounts in the Capital Projects Fund are used to report those proceeds of bond issuances that are restricted for use in construction. The debt service bond accounts in the Debt Service Fund are used to segregate resources accumulated for debt service payments over the next 12 months. The debt service reserve accounts in the Debt Service Fund are used to segregate resources set aside to meet unexpected contingencies, as required by the applicable bond covenants.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns within the government-wide financial statements. The City defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets based on estimates provided by the Arkansas GASB Task Force and past experience with contractors. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated acquisition value of the item at the date of its donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	40
Building improvements	5–30
Equipment	3–10
Infrastructure	40

**Lease Assets**

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future reporting period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is related to pensions and includes differences between expected and actual experience, difference between projected and actual investment earnings on pension plan investments and differences related to changes in assumptions and proportionate share. These amounts will be

amortized to pension expense over the following years as shown within Note 5. The other item that qualifies for reporting in this category is a deferred outflow for a loss on a bond refunding, which is the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized to interest expense over the shorter of the life of the refunded or new debt.

Deferred inflows of resources represent an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include unavailable property tax revenues and deferred pension inflows. Unavailable revenue arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, this item is only reported in the governmental funds balance sheet. Governmental funds report unavailable revenue from property taxes. Another item, deferred pension inflows, consists of the difference between the expected and actual experience related to the pension plans as well as the difference in assumption changes and changes in proportionate share. Deferred pension inflows are amortized to pension expense over future periods as shown within Note 5.

### ***Long-Term Liabilities***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Long-term liabilities are only recorded to the extent that they are due and payable.

### ***Net position flow assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### ***Fund Balance Policies***

In the governmental fund financial statements, fund balances are categorized as nonspendable, restricted, committed, assigned or unassigned. A brief description of each category is as follows:

*Nonspendable* – represents amounts that cannot be spent due to form, for example, inventories and prepaid amounts, and amounts must remain intact legally or contractually.

*Restricted* – represents amounts restricted to specific purposes by external parties, constitutional provision, or enabling legislation.

*Committed* – represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority and it would require the same group to remove or change constraints. The City of Maumelle's highest level of decision-making authority is the Council. The formal action necessary would be an ordinance that specifically establishes, amends, or rescinds a fund balance commitment.



*Assigned* – represents amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has by ordinance authorized the Mayor to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignment generally only exists temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

*Unassigned* – represents amounts, for the general fund, that are not classified as nonspendable, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance; whereas other governmental funds would report a residual deficit if amounts are expended in excess of resources in nonspendable, restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed. A fund's unrestricted fund balance would have committed amounts reduced first, then assigned amounts, and unassigned amounts third when expenditures meet the requirements to use unrestricted resources.

The City of Maumelle formally adopted Ordinance No. 438 in November 2002. It sets the appropriate level of unassigned general fund balance to be maintained by the City, which is 20% of the current year budgeted operating expenditures. If a situation presents itself in which the City Council feels that it is prudent and necessary to spend these unassigned funds, then it would need to pass an ordinance to amend or repeal Ordinance No. 438.

### ***Program Revenues***

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

### ***Property Taxes***

Property taxes are levied as of November 1 on property values assessed as of January 1. The property tax is considered due the first Monday in January after the levy; however, the tax is not considered delinquent until after October 16. At which time the applicable property is subject to lien and penalties and interest are assessed. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period.

### ***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick benefits. Employees may accumulate unused vacation but are only able to carry over a maximum of 120 hours from year to year. Upon termination, any accumulated unused vacation time will be paid to the employee.

Nonuniformed City employees are allowed to accumulate and carry forward unused sick leave up to a maximum of 1,040 hours. Uniformed police officers can carryover 1,200 hours and uniformed firefighters can carryover 2,400 hours. Any accumulated unused sick leave is paid upon nonuniformed employee retirement from service with the City when the employee has worked for the city at least 30 years and/or meets certain age requirements. Uniformed employees are paid a maximum of 540 hours of sick leave at retirement. Otherwise, sick leave is not paid out when employment ends. Employees are compensated for unused sick and vacation time from the fund which the employee is assigned.

The City records a liability for compensated absences as the employee earns benefits attributable to services rendered that were unpaid at the end of the year. Additionally, the City accrues benefits for earned sick leave only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies. Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, such as a result of employee resignations and retirements.

### ***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Sanitation Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### ***Pensions***

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Local Police and Fire Retirement System (LOPFI) and of the Arkansas Public Employees Retirement System (APERS) and additions/deductions from LOPFI's and APERS' fiduciary net position have been determined on the same basis as they are reported by LOPFI and APERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Accounting Pronouncements Adopted***

The City adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), for the year ended December 31, 2023. This statement increases the usefulness of government's financial statements by requiring recognition of public-private and public-public partnerships and availability payment arrangements. The adoption of GASB 94 had no effect on the City's financial statements.

The City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), for the year ended December 31, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset an intangible asset- and a corresponding liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Adoption of GASB 96 had no effect on the City's financial statements.

## Note 2. Cash and Deposits

As of December 31, 2023, the carrying amount of the City's deposits, including certificates of deposit, was \$23,245,475 and the bank balance was \$24,444,145. Of the bank balance, \$22,206,137 was covered by federal depository insurance or by collateral held by the City's agent in the City's name, and \$2,238,008 was collateralized with securities held by the pledging financial institution's trust department or its agent in the City's name.

The following schedule reconciles the reported amount of deposits as disclosed above to the statement of net position:

Reported amount of deposits	\$ 23,245,475
Cash on hand	<u>1,980</u>
	<u>\$ 23,247,455</u>
Unrestricted cash and certificates of deposit, as reported on the statement of net position	\$ 20,905,735
Restricted cash and cash equivalents, as reported on the statement of net position	2,238,736
Restricted cash, as reported on the statement of fiduciary net position	<u>102,984</u>
Total cash and cash equivalents	<u>\$ 23,247,455</u>

## Note 3. Accounts Receivable

All trade receivables are shown net of an allowance for uncollectible.

Accounts receivable at December 31, 2023 are as follows:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental</u>	<u>Sanitation Fund</u>
Taxes receivable	\$ 3,461,946	\$ 836,923	\$ 166,420	\$ 166,420	\$ -
Trade receivables	-	-	-	-	115,115
Other receivables	<u>51,644</u>	<u>-</u>	<u>-</u>	<u>9,400</u>	<u>-</u>
Gross receivables	3,513,590	836,923	166,420	175,820	115,115
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 3,513,590</u>	<u>\$ 836,923</u>	<u>\$ 166,420</u>	<u>\$ 175,820</u>	<u>\$ 115,115</u>

### *Property Tax Receivable, Deferred Revenue, and Property Tax Calendar*

Property taxes are assessed, collected, and remitted to the City by Pulaski County. Taxes are levied on November 1 on the assessed value listed as of January 1 of that year for all real and personal property located in the City. Taxes are due and payable on the first Monday in January after the levy and become delinquent after October 16. The majority of collections occur between March and December. As a result, the property tax is not collected within the time frame necessary to finance the liabilities of the current period.

In the governmental funds, property taxes are measurable when levied even though they are not available, and as a result, property taxes receivable and corresponding deferred inflow of resources are recorded on the levy date. In the government-wide financial statements, property taxes receivable and related revenues are recorded on the levy date.

Accordingly, a receivable, net of allowance for doubtful accounts, and a related revenue in the amount of \$3,129,049 have been recognized in the government-wide financial statements, while a receivable of \$3,129,049 and a related unavailable revenue from property taxes of \$2,965,156 have been recognized in the governmental fund statements.

Millage rates for 2023 taxes collectible in 2024 were 5.00 for the General Fund and 1.45 for the Street Fund.

## Note 4. Capital Assets

Net capital asset activity for the year ended December 31, 2023 was as follows:

<b>Primary Government Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets, not being depreciated				
Land	\$ 8,736,172	\$ -	\$ -	\$ 8,736,172
Construction in progress	7,018,305	1,202,256	-	8,220,561
Total capital assets, not being depreciated	15,754,477	1,202,256	-	16,956,733
Capital assets, being depreciated				
Buildings	36,043,328	38,890	-	36,082,218
Equipment	13,468,619	1,367,806	(71,267)	14,765,158
Infrastructure	37,656,748	172,362	-	37,829,110
Total capital assets being depreciated	87,168,695	1,579,058	(71,267)	88,676,486
Less accumulated depreciation for				
Buildings	18,351,670	1,152,360	-	19,504,030
Equipment	10,551,404	911,324	(71,267)	11,391,461
Infrastructure	8,131,636	1,049,254	-	9,180,890
Total accumulated depreciation	37,034,710	3,112,938	(71,267)	40,076,381
Total capital assets being depreciated, net	50,133,985	(1,533,880)	-	48,600,105
Lease assets				
Equipment	470,623	43,803	(43,848)	470,578
Total lease assets	470,623	43,803	(43,848)	470,578
Less accumulated amortization for				
Equipment	114,377	108,322	(13,227)	209,472
Total accumulated amortization	114,377	108,322	(13,227)	209,472
Total capital assets being amortized, net	356,246	(64,519)	(30,621)	261,106
Governmental activities capital assets, net	\$ 66,244,708	\$ (396,143)	\$ (30,621)	\$ 65,817,944

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	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Business-Type Activities</b>				
Capital assets, being depreciated				
Buildings	\$ 250,381	\$ -	\$ -	\$ 250,381
Equipment	<u>2,368,553</u>	<u>575,119</u>	<u>-</u>	<u>2,943,672</u>
Total capital assets being depreciated	<u>2,618,934</u>	<u>575,119</u>	<u>-</u>	<u>3,194,053</u>
Less accumulated depreciation for				
Buildings	129,233	9,783	-	139,016
Equipment	<u>2,001,591</u>	<u>244,188</u>	<u>-</u>	<u>2,245,779</u>
Total accumulated depreciation	<u>2,130,824</u>	<u>253,971</u>	<u>-</u>	<u>2,384,795</u>
Total capital assets being depreciated, net	<u>488,110</u>	<u>321,148</u>	<u>-</u>	<u>809,258</u>
Business-type activities capital assets, net	<u>\$ 488,110</u>	<u>\$ 321,148</u>	<u>\$ -</u>	<u>\$ 809,258</u>

Depreciation and amortization expense was charged to the functions of the primary government as follows:

<b>Governmental Activities</b>	
Administrative Services	\$ 1,207,096
Public Safety	705,928
Public Works and Streets	1,210,750
Parks and Recreation	<u>97,486</u>
Total depreciation and amortization expense governmental activities	<u>\$ 3,221,260</u>
<b>Business-Type Activities</b>	
Sanitation	<u>\$ 253,971</u>
Total depreciation expense business-type activities	<u>\$ 253,971</u>

## Notes 5. Pension Obligations

The City participates in three defined benefit pension plans, which are comprised of two cost-sharing multiple-employer defined benefit pension plans and one single employer defined benefit plan, each of which is described and illustrated in detail below. Aggregate amounts for the three pension plans are as follows:

	LOPFI	APERS	Elected Officials	Total
Net pension liability	\$ 10,072,764	\$ 55,001	\$ 1,489,318	\$ 11,617,083
Deferred outflows – pension	2,323,861	20,167	267,251	2,611,279
Pension expense	1,118,975	8,886	52,057	1,179,918
Deferred inflows – pension	1,054,425	2,542	495,327	1,552,294

### Arkansas Local Police and Fire Retirement System (LOPFI):

*Plan Description:* The City participates in LOPFI, a state- wide cost-sharing, multi-employer defined benefit plan administered by a seven-member Board of Trustees and created by Act 364 of the 1981 Arkansas General Assembly. LOPFI provides retirement benefits for uniformed employees and volunteer firemen. LOPFI issues separate audited GAAP-basis post-employment benefit plan report. This report may be obtained by visiting the LOPFI website: [www.lopfi-prb.com](http://www.lopfi-prb.com).

*Benefits provided:* Benefit Program 1 provides benefits to a member with five or more years (10 or more years for members hired after July 1, 2013) of credit service in force who has attained his or her normal retirement age consist of an annuity equal to the following:

- For each year of paid service resulting from employment in a position not also covered by social security, 3% of his or her final average pay (2.7% for those with retirement date prior to July 1, 2009); plus
- For each year of paid service resulting from employment in a position also covered by social security, 2% or his or her final average pay. In addition, if such member is retiring and if such member's age at retirement is younger than social security's minimum age for an unreduced retirement benefit, then such member receives a temporary annuity equal to 1% of his or her final average pay for each such year of paid service. Such temporary annuity terminates at the end of the calendar month in which the earliest of the following events occur: such member's death; or his or her attainment of such social security minimum age for unreduced benefits.
- In no event will the total of a. plus b. exceed, at the time of retirement, 100% of such final average pay; plus
- Effective July 1, 2023, for each year of volunteer service, \$8.09 per month, to a maximum of \$323.60 monthly.
- Before the date that the first payment of his or her annuity becomes due, but not thereafter, a member may elect to have his or her life annuity reduced but not any temporary annuity which may be pay and nominate a beneficiary in accordance with the provisions of one or four options. If a member does not elect an option, his or her annuity shall be paid to him as a life annuity.

Benefit program 2 says for each year of paid service rendered on or after the election date of Benefit 2 and resulting from employment in a position not also covered by social security, 3.34% of his or her final average pay, plus for each year of paid service rendered on or after the election date of Benefit Program and resulting from employment in a position also covered by social security, 3% of his or her final average pay beginning July 1, 2023. A member will receive disability benefits computed in the same manner as normal retirement benefits if the member has five or more years of credit service (or 10 years of actual service if hired on or after July 1, 2013) and terminates employment because of becoming totally and permanently disabled from non-duty-related causes. If the disability is determined to be duty related, a benefit is 65% of the member's final average pay. Prior to that date, the benefit was computed as if the member had completed 25 years of service.

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*Contributions:* 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 are:

- a. Paid service not covered by social security: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- b. Paid service also covered by social security: 3.5% of gross pay beginning July 1, 2023; 2.5% of gross pay beginning July 1 2009; no employee contributions prior to that date
- c. Paid service-benefit program 2: 9.5% of gross pay beginning July 1, 2023; 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- d. Volunteer service: no employee contribution

The employer contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to ensure that the individual system employers can honor their benefit commitments to covered employees. An individual entry age actuarial cost method valuation is used to determine normal cost. Contributions by the City to the Plan for the year ended December 31, 2023 were \$595,710 for Fire, \$510,457 for Police, and \$4,254 for Volunteer Fire.

For the year ended December 31, 2023, the contribution rate percentages were as follows:

<b>LOPFI Maximum</b>	<b>Employee</b>	<b>Employer</b>	<b>Total</b>
Fire	9.50%	23.50%	33.00%
Police	9.50%	23.19%	32.69%

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* As of December 31, 2023, the City reported net pension liability for its proportionate share of the net pension liability of each plan as follows:

Maumelle Fire	\$ 5,403,239
Maumelle Police	4,630,136
Maumelle Volunteer	<u>39,389</u>
Total Net Pension Liability	<u>\$ 10,072,764</u>

To facilitate the separate actuarial valuations, the City maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of December 31, 2023 are based on the ratio of each employer's contributions to the total employer contributions of the group for the fiscal year ended December 31, 2023. The contributions used excluded contributions made for prior service, excess benefits, and irregular payments.

The employer allocation percentages have been rounded for presentation purposes. Therefore, use of these percentages to recalculated individual employer amounts presented in the schedules of pension amounts by employer may result in immaterial differences due to rounding. The City's proportionate share of the net pension liability for each plan is as follows:

<b>Plan</b>	<b>Proportionate Share %</b>
Maumelle Fire	0.539820%
Maumelle Police	0.462580%
Maumelle Volunteer Fire	0.080730%



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For the year ended December 31, 2023, the City recognized LOPFI expense of \$1,118,975. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 1,233,225	\$ -
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	932,052	-
Changes of Assumptions	37,762	471,195
Changes in Proportion and Differences Between Employer Contributions and Share Investments of Contributions	120,822	583,230
<b>Total</b>	<b>\$ 2,323,861</b>	<b>\$ 1,054,425</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Year Ended</b>				
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
Maumelle Fire	\$ 105,636	\$ 295,151	\$ 484,026	\$(212,996)	\$ 671,817
Maumelle Police	159,121	227,577	400,459	(182,521)	604,636
Maumelle Volunteer	(5,690)	(2,921)	3,081	(1,487)	(7,017)

*Actuarial Assumptions:* The total pension liability as of December 31, 2023 was determined by an actuarial valuation as of December 31, 2023 using the following actuarial assumptions:

<b>Paid Service Assumptions</b>	
Wage inflation rate	3.00%
Price inflation	2.25%
	3.50% to 18.00%, including inflation
Salary increases	7.25%
Investment rate of return	Entry age 5-Year smoothed market; 20% corridor
Actuarial cost method	
Asset valuation method	

### Volunteer Service Assumptions

Inflation	2.25%
Investment rate of return	7.25%
Actuarial cost method	Entry age normal
	5-year smoothed market; 20% corridor
Asset valuation method	

Mortality rates were based on the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables, set forward one year for males, and two years for females. The disability postretirement mortality tables used were the Pub-2010 Amount-Weighted General Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future and real rates of return (expected returns, net of pension plan investment expense and inflation are developed for each major asset class). These real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. stock – large cap	21.00%	5.62%
U.S. stock – small cap	21.00%	5.86%
International equity	9.00%	6.92%
Emerging markets	9.00%	8.95%
U.S. corporate bonds	25.00%	2.29%
Real estate	5.00%	3.61%
Private equity	10.00%	9.48%
Total	100.00%	

**Discount rate:** A single discount rate of 7.25% was used to measure the total pension liability. The Single Discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate:** The following presents the City's proportionate share of the net pension liability calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower (6.25%) or one percent higher (8.25%).

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	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
Maumelle Fire	\$ 8,469,568	\$ 5,403,239	\$ 2,923,035
Maumelle Police	7,257,731	4,630,136	2,504,803
Maumelle Volunteer	62,089	39,389	21,200

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued LOPFI financial reports.

**Arkansas Public Employees Retirement System (APERS):**

*Plan Description:* Beginning in 2005, the City also contributes to APERS, which is a state-wide cost-sharing multiple-employer defined benefit pension plan established by authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The plan provides retirement, disability, and survivor benefits for eligible employees and elected officials of state and local governmental entities in Arkansas. The general administration and responsibility for the proper operation of APERS are vested in a nine-member board of trustees, which includes the State Auditor, State Treasurer, Director of the State Department of Finance and Administration, and three state and three non-state employees appointed by the Governor. APERS issues an unaudited publicly available financial report. This report may be obtained by visiting the APERS website: [www.apers.org](http://www.apers.org).

*Benefits Provided:* The Old Contributory Plan is available to persons who became members of APERS before January 1, 1978. The Non-Contributory Plan applies to all persons first hired after January 1, 1978 and before July 1, 2005 in APERS-covered employment. The New Contributory Plan applies to all persons hired after July 1, 2005 in APERS-covered employment or Non-Contributory members who elected to participate in the New Contributory Plan. Under the New Contributory Plan, you will receive a full benefit, after either (a) age 65 with five years of service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced by one month for each two months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service). A member will receive a reduced benefit after age 55 with five years of service or any age with 25 years of service. The reduction is equal to ½ of 1% for each month retirement proceeds normal retirement age or 1% for each month below 28 years of actual service, whichever is less. Under the Non-Contributory Plan, you will receive a full benefit after either (a) age 65 with five years of service or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced by one month for each two months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service). A member will receive a reduced benefit after age 55 with five years of service or any age with 25 years of service. The reduction is equal to ½ of 1% for each month retirement proceeds normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

*Contributions:* The New Contributory Plan has member contribution rate of 5% of covered compensation (pre-tax). Beginning July 1, 2022, the member contribution rate will increase in increments of 0.25% per year until it reaches that maximum 7%. Member contributions are refundable if APERS-covered employment terminates before a monthly benefit is payable. Members will earn interest on the contributions at a rate of 4% annually. The Non-Contributory Plan does not require any employee contributions for service after January 1, 1978. If there is service before January 1, 1978, contributions for that period are refundable later in the same manner as under the New Contributory Plan.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* As of June 30, 2023, the City reported net pension liability for their proportionate share of \$55,001. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2023, the City proportion was 0.00188734%.

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For the year ended December 31, 2023, the City recognized pension expense of \$8,886. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,105	\$ 302
Net difference between projected and actual investment earnings on pension plan investments	6,846	-
Changes of Assumptions	2,586	-
Changes in proportion and differences between employer contributions and share of contributions	6,083	2,240
Subsequent Contributions	<u>1,547</u>	<u>-</u>
Total	<u><u>\$ 20,167</u></u>	<u><u>\$ 2,542</u></u>

The amount reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date of \$1,547 will be recognized as a reduction of the net pension liability for the year ending December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2024	\$ 2,917
2025	1,442
2026	8,337
2027	(462)
2028	<u>3,844</u>
	<u><u>\$ 16,078</u></u>

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*Actuarial assumptions:* The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of % of payroll, closed
Remaining Amortization Period	23 years
Asset Valuation Method	4-Year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Price Inflation Rate	2.50%
Wage Inflation Rate	3.25%
Investment Rate of Return	7.15%
Projected Salary Increases	3.25% to 9.85% including inflation

Mortality rates were based on the RP-2006 Healthy Annuitant benefit-weighted generational mortality tables for males and females. The disability postretirement mortality tables used were the RP-2006 Disabled Retiree benefit-weighted generational mortality tables for males and females. The death-in-service mortality tables used were the RP-2006 Employee benefit-weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.

The actuarial assumptions used in the valuation were established based upon an Experience Study covering the period July 1, 2012 through June 30, 2018. The investment return assumption was changed for the June 30, 2018 valuation, and the demographic assumptions were changes for the June 30, 2019 valuation. The actuarial assumptions represent estimates of future experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation.

Best estimates of arithmetic real rates of return for each major asset class that is included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<b>Asset Classes</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Broad Domestic Equity	37%	6.19%
International Equity	24%	6.77%
Real Estate	16%	3.34%
Absolute Return	5%	3.36%
Domestic Fixed	18%	1.79%
Total	100%	

*Discount Rate:* A single discount rate of 7% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate:* The following presents the plan's net pension liability, calculated using a single discount rate of 7%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	<u>1% Lower 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1 % Higher 8.00%</u>
City's proportionate share of the net pension liability	\$ 87,666	\$ 55,001	\$ 28,087

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued APERS financial report.

**Elected Official Retirement**

***Plan Description***

Certain state statutes as indicated below, provide for retirement of elected officials as follows:

**City Attorney** – A.C.A. §24-12-120 provides for a retirement for any City Attorney in Cities of the First Class upon approval of the governing body. The Maumelle City Council approved Ordinance 1007 on June 1, 2021 exercising that option. Any City Attorney who has served for not less than 10 years upon reaching the age of 60 or has served as City Attorney for 20 years without regard to age shall be entitled to retire at an annual retirement benefit during the remainder of his or her natural life, payable at the rate of one-half (1/2) of the salary payable to the city attorney at the time of his or her retirement. These benefits shall be payable monthly from the General Funds of the City. At this time, there are no current or past elected officials eligible for this benefit.

**City Clerk-Treasurer** – A.C.A. §24-12-121 provides for retirement benefits for any City Clerk or Clerk-treasurer in a city of the first class who has served for not less than 10 years upon reaching the age of 60 or has served as City Clerk for 20 years without regard to age. The code allows for the governing body to approve an annual cost-of-living increase up to 3%. At this time, no cost-of-living increases have been approved. The code specifies that the retirement benefits should be a monthly sum equal to one-half of the monthly salary received by the City Clerk during the last preceding year of service, and these benefits should be paid from the General Fund of the City. There are currently two past elected officials eligible for this benefit. One is currently receiving benefits and one will be eligible at age 60. The current annual expense is approximately \$21,000.

**Mayor** – A.C.A. §24-12-123 provides for retirement benefits for any Mayor in a city of the first class who has served for not less than 10 years upon reaching the age of sixty or has served as City Clerk for 20 years without regard to age. The code allows for the governing body to approve an annual cost-of-living increase up to 3%. At this time, no cost-of-living increases have been approved. The code specifies that the retirement benefits should be a monthly sum equal to one-half of the monthly salary received by the Mayor during the last preceding year of service, and these benefits should be paid from the General Fund of the City. There is currently one past elected officials eligible for this benefit. The current annual expense is approximately \$40,800.

### **Actuarial Assumptions**

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Elected Officials Defined Benefit Plan</b>
Actuarial Valuation Date	12/31/2023
Actuarial Cost Method	Entry age
Remaining Amortization Period	normal
Price Inflation Rate	5 years
Wage Inflation Rate	2.50%
Cost-of-Living Adjustments	2.00%
	None

Mortality rates were based on the PubG-2010 Healthy Retiree mortality, projected five years beyond the valuation date with Scale MP-2021.

The employees covered by the Plan at December 31, 2023 are:

	<b>Elected Officials Defined Benefit Pension Plan</b>
Inactive plan members receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	3
Total	6

### **Discount Rate**

The discount rate used to measure the Total Pension Liability was 4% for the year ended December 31, 2023. For the purpose of this valuation, the expected rate of return on pension plan investments is 4%. The municipal bond rates is 4% (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index). Since the plan is unfunded, the resulting single discount rate is 4%.

City of Maumelle, Arkansas  
Notes to the Financial Statements  
December 31, 2023

**Total/Net Pension Liability**

Changes in the total/net pension liability are:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>January 1, 2023</b>	\$ 1,324,215	\$ -	\$ 1,324,215
Changes for the year:			
Service cost	52,456	-	52,456
Interest	58,002	-	58,002
Differences between expected and actual experience	52,968	-	52,968
Changes of assumption	63,494	-	63,494
Employer contributions	-	61,817	(61,817)
Benefit Payments	(61,817)	(61,817)	-
Net changes	165,103	-	165,103
<b>December 31, 2023</b>	<u>\$ 1,489,318</u>	<u>\$ -</u>	<u>\$ 1,489,318</u>

**Sensitivity of the Total Pension Liability to Changes in the Discount Rate**

The total pension liability of the City has been calculated using a discount rate of 4%. The following presents the total pension liability using a discount rate 1 percent higher and 1 percent lower than the current rate.

	<b>Sensitivity of the Total Position Liability to the Single Discount Rate Assumption</b>		
	<b>1% Decrease 3.00%</b>	<b>Current Single Rate Assumption 4.00%</b>	<b>1% Increase 5.00%</b>
City's total pension liability	\$ 1,725,654	\$ 1,489,318	\$ 1,298,397

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2023, the City recognized pension expense of \$52,057 related to this plan.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 49,107	\$ 128,716
Change of assumptions	218,144	366,611
Total	<u>\$ 267,251</u>	<u>\$ 495,327</u>



**City of Maumelle, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2023**

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2023 related to pensions will be recognized in pension expense as follows:

**Year Ending December 31,**

2024	\$ (58,399)
2025	(58,399)
2026	(58,399)
2027	(96,553)
2028	(271,750)
Thereafter	29,116
	<u>\$ (514,384)</u>

**City of Maumelle, Arkansas Pension Plan:**

The City administers a City Pension Plan (effective March 1, 1991), a single- employer, defined contribution pension plan, in which all nonuniformed employees, who have completed one (1) year of service, may participate. The City Pension Plan provides retirement benefits to plan members. The City has authority to establish and amend the plan's provisions and contribution requirements. The assets are held in the employee's name and TIAA provides investment options for the employee.

Plan members are required to contribute up to 2% of their annual covered salary. The City will contribute up to 6% of annual covered salary. The Plan was amended and restated January 1, 2009 to allow each active participant who completes the years of participation in the plan set out below to become vested in the applicable percentage of the City Contribution Account:

<u>Years Vested</u>	<u>Vesting Percentage</u>
0–1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

For the year ended December 31, 2023, employee contributions totaled \$75,146 and the City recognized pension expense of \$124,715.

## Note 6. Encumbrances

As discussed in Note 1, Budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year was as follows:

General fund	\$ 537,726
Street fund	369,449
Grant fund	<u>279,434</u>
Total	<u>\$ 1,186,609</u>

## Note 7. Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage through the Arkansas Municipal League (Pool), which is an association of local governments, covering each of the above risks of loss. The City pays an annual premium to the Pool. The Pool's governing agreement specifies that the Pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop-loss amounts. Settled claims have not exceeded policy limits in any of the three preceding years, nor has there been a significant reduction in coverage during the year ended December 31, 2023.

## Note 8. Lease Obligations

### ***Lease Liabilities***

The City entered into a lease agreement as lessee for the use of police vehicles. As of December 31, 2023, the value of the lease liability is \$261,106. The City of Maumelle is required to make monthly fixed payments totaling \$9,469. The leases have an interest rate of 3.8% to 6.81%. The leases have a 60-month commitment.

The following is the future principal and interest payments for the lease liability:

Year Ending Fiscal Years	Principal	Interest
2024	\$ 100,715	\$ 9,070
2025	105,420	4,774
2026	41,725	2,649
2027	9,821	540
2028	<u>3,425</u>	<u>29</u>
Total	<u>\$ 261,106</u>	<u>\$ 17,062</u>

## Note 10. Long-Term Liabilities

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental Activities</b>					
Bonds:					
2018 Series	\$ 10,715,000	\$ -	\$ 2,355,000	\$ 8,360,000	\$ 575,000
2019 Series	5,085,000	-	405,000	4,680,000	420,000
Premium	233,383	-	20,921	212,462	-
Total bonds payable	16,033,383	-	2,780,921	13,252,462	995,000
Compensated absences	368,066	5,134	-	373,200	43,219
Net pension liability	13,013,378	-	1,396,295	11,617,083	75,000
Lease liabilities	356,246	43,803	138,943	261,106	107,935
Total governmental activity	<u>\$ 29,771,073</u>	<u>\$ 48,937</u>	<u>\$ 4,316,159</u>	<u>\$ 25,503,851</u>	<u>\$ 1,221,154</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 22,018	\$ -	\$ 6,525	\$ 15,493	\$ 5,397
Total business-type activity	<u>\$ 22,018</u>	<u>\$ -</u>	<u>\$ 6,525</u>	<u>\$ 15,493</u>	<u>\$ 5,397</u>

The liability for the net pension liability and governmental activities compensated absences is fully liquidated by the General Fund. The liability for business activities compensated absences is fully liquidated by enterprise fund (sanitation fund).

### Special Obligation Sales & Use Tax Bonds

#### Series 2018

The City issues special obligations bonds payable solely from collections from the 0.50% Bond Sales and Use Tax and the 0.50% Continuing Sales and Use Tax levied by the City. Tax receipts must be used solely to pay the principal and interest, Trustee's fees and expenses and other administrative charges, and any arbitrage rebate due under Section 148(f) of the Code with respect to Bonds. Collections of the Continuing Sales and Use Tax not needed to (i) ensure the prompt payment of the principal of, interest on, and the Trustee's fees and expenses and other administrative charges in connection with the Bonds; (ii) maintain the debt service reserve in the required amount; and (iii) pay any arbitrage rebate due under Section 148(f) of the Code, shall be released to the City and applied to provide funds for the operation and maintenance of the City's public safety facilities and activities including, but not limited to, the City's Police and Fire departments, street and trail repairs, street lighting, and other related public safety facilities and operations. The Bonds are secured under the Authorizing Ordinance No 959 adopted by the City of Maumelle on July 16, 2019.

**City of Maumelle, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2023**

<b>Series</b>	<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount</b>
2018	Public Safety Activities	2.00% – 4.00%	\$ 13,915,000
<b>Maturity (August 1)</b>	<b>Principal Amount(\$)</b>	<b>Interest Rate (%)</b>	<b>Interest Amount</b>
2024	\$ 575,000	4.000%	\$ 395,381
2025	600,000	4.000%	372,382
2026	625,000	4.000%	348,381
2027	650,000	4.000%	323,381
2028	675,000	4.000%	297,381
2029	700,000	4.000%	270,381
2030	730,000	4.000%	242,381
2031	760,000	3.000%	213,181
2032	785,000	3.125%	190,381
2033	805,000	3.125%	165,850
2034	830,000	3.375%	140,694
2035	625,000	3.375%	112,681
Total	<u>\$ 8,360,000</u>		<u>\$ 3,072,455</u>

**Revenue Bonds**

**Series 2019**

The City also issues bonds where the City pledges income derived from the franchise fees charged to public utilities for the privilege of using the City's streets and rights-of-way. The Series 2005 and Series 2007 bonds were refunded in 2012, and the Series 2012 bonds were refunded in 2019 with the Series 2019 bond issue for \$6,235,000. Revenue bonds outstanding at year-end are as follows:

<b>Series</b>	<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount</b>
2019	Governmental Activities	2.125% – 3.00%	\$ 6,235,000
<b>Maturity (November 1)</b>	<b>Principal Amount (\$)</b>	<b>Interest Rate (%)</b>	<b>Interest Amount (\$)</b>
2024	\$ 420,000	3.00%	\$ 116,205
2025	430,000	2.13%	103,605
2026	440,000	2.25%	94,468
2027	455,000	2.25%	84,568
2028	460,000	2.25%	74,330
2029	470,000	2.40%	63,980
2030	480,000	2.50%	52,700
2031	495,000	2.50%	40,700
2032	505,000	2.75%	28,325
2033	525,000	2.75%	14,438
Total	<u>\$ 4,680,000</u>		<u>\$ 673,319</u>

**Legal Debt Margin.** Under Amendment 62 of the Arkansas State Constitution, the City's outstanding general obligation debt should not exceed 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023, the legal debt limit for the City was \$104,862,709. The City has general obligation debt outstanding at the end of 2023 of \$13,040,000 less funds available for retirement of \$1,416,208, leaving a legal debt margin of \$93,238,917.

**Unused Line of Credit.** The City has a line of credit at one of the financial institutions where it holds deposits. As of the end of the fiscal year, the unused line of credit was \$143,000.

## **Note 11. Fund Balance and Net Position**

### ***Minimum Fund Balance policy***

The City of Maumelle formally adopted Ordinance No. 438 in November 2002. It sets the appropriate level of unassigned general fund balance to be maintained by the City, which is 20% of the current year budgeted operating expenditures. If a situation presents itself in which the City Council feels that it is prudent and necessary to spend these unassigned funds, then it would need to pass an ordinance to amend or repeal Ordinance No. 438. At the end of 2023, the City's General fund balance is \$14,117,741 and the 20% of 2023 budgeted operating expenditures is \$3,317,370. The City was above the required minimum balance for 2023 by \$10,800,371 (326%).

### ***Fund Balance***

***Nonspendable*** – represents amounts that cannot be spent due to form, for example, inventories and prepaid amounts, and amounts must remain intact legally or contractually. The City of Maumelle's prepaid items are recorded as nonspendable fund balance. The City has \$287,188 prepaid items to report as of December 31, 2023:

***Restricted*** – represents amounts restricted to specific purposes by external parties, constitutional provision, or enabling legislation. Below describes the amounts in restricted for 2023:

***Street Fund*** is a special revenue fund derived from taxes earmarked specifically for street expenditures – \$5,322,233.

***Debt Service Fund*** is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and related cost – \$1,416,208.

***Capital Projects Fund*** is used to account for major capital acquisitions and construction projects, other than those financed by proprietary funds – \$1,032,474.

***District Court Automation Fund*** is used to account for funds to used solely for district court-related technology – \$59,191.

***Drug Control Fund*** is established by Arkansas Law and use for under A.C.A. 5-64-505 – \$143,175.

***Act 833 Fund*** is used to separate the funds received through Arkansas Act 833 and their related expenses – \$31,240.

***Committed*** – represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority and it would require the same group to remove or change constraints. The City of Maumelle's highest level of decision-making authority is the Council. The formal action necessary would be an ordinance that specifically establishes, amends, or rescinds a fund balance commitment.

**City of Maumelle, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2023**

*Grant Fund* was established in 2021 to better separate grant funds from general fund monies. The City's portion of matching funds was transferred to the grant fund for the match. The amount showing committed as of December 31, 2023 is \$600,142.

*Capital Improvement Fund* was established by the City Council on July 1, 2019 through Ordinance 980 in order to financially plan and prepare for future capital improvement needs. Monies may only be moved into and out of this fund by the City Council by Ordinance or Resolution, through adoption of the budget, or otherwise. The amount showing committed as of December 31, 2023 is \$326,014.

*Police & Fire Fund* was established by the City Council on July 1, 2019 through Ordinance 981 in order to provide for the disbursement of the Public Safety Tax in a manner consistent with its designated purpose. All funds received by the City of Maumelle from the 0.50% Public Safety Tax approved by the voters pursuant to Ordinance 944, and not otherwise required to pay and secure the repayment of the bonds approved pursuant to that Ordinance, shall be appropriated to the Police and Fire Fund, which shall be maintained by the Department of Finance for this purpose. The City Council may only budget the monies deposited into the Police and Fire Fund for use by the Police or Fire Departments and solely for the operation and maintenance of public safety facilities within the City, including equipment and personnel related expenses. The amount showing committed as of December 31, 2023 is \$166,450.

*The FEMA Grant Fund* was established in 2021 to track funds related to a large FEMA Grant. Transfers were made from the General Fund to this special revenue fund for the City's portion of the grant match. The amount showing committed as of the December 31, 2023 is \$980,228.

### **Note 13. Interfund Transfers**

**Interfund transfers.** Interfund transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, 3) as part of a journal entry to remove closed cash accounts from the books, and 4) to transfer funds to Special Revenue Funds as directed by the City Council or to better segregate grant funds. Interfund transfers for the year ended December 31, 2023 consisted of the following transactions:

Transfers Out	Transfers in Governmental Funds					Total
	General Fund	Grant Fund	Debt Service Fund	Police & Fire Fund	Capital Improvement Fund	
General Fund	\$ 229	\$ -	\$ 532,010	\$ 30	\$ -	\$ 532,269
Street Fund	-	77,500	-	-	-	77,500
Capital Projects	-	-	-	-	122,014	122,014
Police & Fire Fund	1,996,922	-	-	-	-	1,996,922
Debt Service Fund	5,160	-	-	-	-	5,160
Total	<u>\$ 2,002,311</u>	<u>\$ 77,500</u>	<u>\$ 532,010</u>	<u>\$ 30</u>	<u>\$ 122,014</u>	<u>\$ 2,733,865</u>

#### **Note 14. Litigation**

In the course of business, the City, its agencies, and its employees are defendants in legal proceedings including, but not limited to, claims against the City of property damage, personal injury, personnel and contract matters, and alleged violations of state and federal laws. It is the opinion of management that the disposition or resolution of such claims and lawsuits will not have a material adverse effect on the financial position, changes in the financial position, or cash flows of the City.

#### **Note 15. Conduit Debt**

From time to time, the City has issued economic development and other revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial, healthcare facilities, and other deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

As of December 31, 2023, the aggregate principal amount payable on these bonds was approximately \$212,000,000.

#### **Note 16. Tax Abatement**

The City provides tax reductions under an economic development program with local businesses. The objective of the economic development program is to encourage the development and rehabilitation of new and existing industrial and commercial property throughout the City by offering a real estate tax incentive. Upon approval by the City, the applicant is eligible to receive a tax incentive by which the property will typically be charged 35% of the aggregate amount of the ad valorem taxes that would be paid. This incentive results in significant tax savings for eligible applicants. For the current fiscal year, the amount of property tax revenue forgone by the City due to these incentives is estimated at approximately \$1,050,000.

***Required Supplementary Information***



**City of Maumelle, Arkansas**

**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date**

**December 31, 2023**

**LOPFI – Fire**

<b>December 31</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
City's proportion of the net pension liability	0.380763%	0.470231%	0.532558%	0.577410%	0.60021%	0.582360%	0.610340%	0.570210%	0.539820%
City's proportionate share of the net pension liability	1,378,397	2,682,810	3,784,340	5,210,420	4,638,086	4,003,639	3,084,122	6,088,040	5,403,239
City's covered payroll	1,470,346	2,003,441	1,839,153	2,070,075	2,160,860	2,271,172	2,367,386	2,182,207	2,482,125
City's proportionate share of the net pension liability as a percentage of its covered payroll	93.75%	133.91%	205.77%	251.70%	214.64%	176.28%	130.28%	278.99%	217.69%
Plan fiduciary net position as a percentage of the Plan's total pension liability	79.14%	72.87%	71.48%	66.09%	73.21%	77.79%	84.75%	69.20%	73.50%

**LOPFI – Police**

<b>December 31</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
City's proportion of the net pension liability	0.389465%	0.418718%	0.449579%	0.473430%	0.484040%	0.460780%	0.493140%	0.513460%	0.462580%
City's proportionate share of the net pension liability	1,409,900	2,388,913	3,194,695	4,272,138	3,740,346	3,167,801	2,491,919	5,482,145	4,630,136
City's covered payroll	1,927,541	2,014,848	2,130,647	2,275,384	2,003,441	1,996,192	2,028,130	2,003,729	2,130,963
City's proportionate share of the net pension liability as a percentage of its covered payroll	73.15%	118.57%	149.94%	187.75%	186.70%	158.69%	122.87%	273.60%	217.28%
Plan fiduciary net position as a percentage of the Plan's total pension liability	79.14%	72.87%	71.48%	66.09%	73.21%	77.79%	84.75%	69.20%	73.50%

**City of Maumelle, Arkansas**

**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date  
December 31, 2023**

<b>LOPFI – Volunteer Fire December 31</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
City's proportion of the net pension liability	0.333053%	0.279408%	0.214060%	0.173400%	0.146230%	0.130270%	0.130800%	0.120020%	0.080730%
City's proportionate share of the net pension liability	106,398	103,475	91,316	87,710	61,415	46,353	34,479	66,668	39,389
City's covered payroll	17,815	11,005	14,315	4,275	2,003,441	1,275	1,150	1,225	940
City's proportionate share of the net pension liability as a percentage of its covered payroll	597.24%	940.25%	637.90%	2051.70%	3.07%	3635.53%	2998.17%	5442.29%	4190.32%
Plan fiduciary net position as a percentage of the Plan's total pension liability	64.58%	64.29%	64.71%	60.56%	69.21%	75.30%	82.87%	66.19%	72.07%

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of Maumelle, Arkansas**

**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date  
December 31, 2023**

<b>APERS</b>	<b>June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
City's proportion of the net pension liability		0.004025%	0.004005%	0.003210%	0.002291%	0.001940%	0.00155809%	0.001344%	0.001940%	0.00188734%
City's proportionate share of the net pension liability		74,125	95,783	82,948	50,530	46,803	44,617	10,334	52,310	55,001
City's covered payroll		71,888	73,353	39,870	39,573	30,477	26,777	38,537	41,038	31,119
City's proportionate share of the net pension liability as a percentage of its covered payroll		103.11%	130.58%	208.05%	107.96%	153.57%	166.62%	26.82%	127.47%	176.74%
Plan fiduciary net position as a percentage of the Plan's total pension liability		25.82%	75.50%	75.65%	79.59%	78.55%	75.38%	93.57%	78.31%	77.94%

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of Maumelle, Arkansas**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios as of the Measurement Date**  
**Elected Officials Pension**  
**December 31, 2023**

<b>Fiscal Year Ended December 31,</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total Pension Liability</b>				
Service cost	\$ 56,916	\$ 82,154	\$ 134,588	\$ 52,456
Interest	46,537	34,303	44,489	58,002
Benefit changes	-	190,407	-	-
Difference between actual and expected experience	1,481	4,250	(193,075)	52,968
Assumption changes	379,364	(101,766)	(473,590)	63,494
Benefit payments	(61,817)	(61,817)	(61,817)	(61,817)
<b>Net Change in Total Pension Liability</b>	<b>422,481</b>	<b>147,531</b>	<b>(549,405)</b>	<b>165,103</b>
<b>Total Pension Liability – Beginning</b>	<b>1,303,608</b>	<b>1,726,089</b>	<b>1,873,620</b>	<b>1,324,215</b>
<b>Total Pension Liability – Ending</b>	<b><u>\$ 1,726,089</u></b>	<b><u>\$ 1,873,620</u></b>	<b><u>\$ 1,324,215</u></b>	<b><u>\$ 1,489,318</u></b>
<b>Covered Payroll</b>	<b>\$ 152,898</b>	<b>\$ 239,150</b>	<b>\$ 260,564</b>	<b>\$ 270,866</b>
<b>City's Total Pension Liability as a Percentage of Covered Payroll</b>	<b>1128.92%</b>	<b>783.45%</b>	<b>508.21%</b>	<b>549.84%</b>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**Change in assumptions:**

The mortality rates were updated to reflect the PubG-2010 tables.

The discount rate was updated from 3.50% to 1.93% in 2021.

The discount rate was updated from 1.93% to 4.31% in 2022.

The discount rate was updated from 4.31% to 4.00% in 2023.

There are no assets accumulated in a trust that meet the criteria in Paragraph 4 of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*.

**City of Maumelle, Arkansas**  
**Schedule of Plan Contributions**  
**December 31, 2023**

**LOPFI – Fire**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 225,955	\$ 310,675	\$ 380,967	\$ 450,857	\$ 500,888	\$ 515,070	\$ 555,869	\$ 552,962	\$ 595,710
Contributions in relation to the actuarially determined contributions	129,653	203,189	250,780	291,287	684,561	726,775	756,929	558,491	593,469
Contribution deficiency (excess)	\$ 96,302	\$ 107,486	\$ 130,187	\$ 159,570	\$ (183,673)	\$ (211,705)	\$ (201,060)	\$ (5,529)	\$ 2,241
Covered Payroll	\$ 1,470,346	\$ 1,629,300	\$ 1,839,153	\$ 2,070,075	\$ 2,160,860	\$ 2,271,172	\$ 2,367,386	\$ 2,182,207	\$ 2,482,125
Contributions as a percentage of covered payroll	8.82%	12.47%	13.64%	14.07%	31.68%	32.00%	31.97%	25.59%	23.91%

**LOPFI – Police**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 231,119	\$ 276,641	\$ 321,608	\$ 369,668	\$ 403,937	\$ 407,539	\$ 449,133	\$ 497,930	\$ 510,475
Contributions in relation to the actuarially determined contributions	133,965	157,087	204,514	233,892	574,787	592,670	622,597	502,169	513,316
Contribution deficiency (excess)	\$ 97,154	\$ 119,554	\$ 117,094	\$ 135,776	\$ (170,850)	\$ (185,131)	\$ (173,464)	\$ (4,239)	(2,841)
Covered payroll	\$ 1,927,541	\$ 2,014,848	\$ 2,130,647	\$ 2,275,384	\$ 2,003,441	\$ 1,996,192	\$ 2,028,130	\$ 2,003,729	\$ 2,130,963
Contributions as a percentage of covered payroll	6.95%	7.80%	9.60%	10.28%	28.69%	29.69%	30.70%	25.06%	24.09%

**City of Maumelle, Arkansas**  
**Schedule of Plan Contributions**  
**December 31, 2023**

**LOPFI – Volunteer Fire**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ 15,453	\$ 12,906	\$ 10,303	\$ 8,587	\$ 7,788	\$ 7,080	\$ 7,009	\$ 6,260	\$ 4,254
Contributions in relation to the actuarially determined contributions	<u>1,528</u>	<u>2,331</u>	<u>986</u>	<u>773</u>	<u>708</u>	<u>708</u>	<u>679</u>	<u>2,319</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ 13,925</u>	<u>\$ 10,575</u>	<u>\$ 9,317</u>	<u>\$ 7,814</u>	<u>\$ 7,080</u>	<u>\$ 6,372</u>	<u>\$ 6,330</u>	<u>\$ 3,941</u>	<u>\$ 4,254</u>
Covered payroll	\$ 17,815	\$ 11,005	\$ 14,315	\$ 4,275	\$ 2,200	\$ 1,275	\$ 1,150	\$ 1,225	\$ 940
Contributions as a percentage of covered payroll	8.58%	21.18%	6.89%	18.08%	32.18%	55.53%	59.04%	189.31%	0.00%

**APERS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ 10,540	\$ 10,523	\$ 8,389	\$ 8,034	\$ 5,687	\$ 4,657	\$ 4,112	\$ 6,213	\$ 6,409
Contributions in relation to the actuarially determined contributions	<u>10,544</u>	<u>10,636</u>	<u>5,695</u>	<u>6,281</u>	<u>6,193</u>	<u>5,215</u>	<u>5,918</u>	<u>6,626</u>	<u>4,699</u>
Contribution deficiency (excess)	<u>\$ (4)</u>	<u>\$ (113)</u>	<u>\$ 2,694</u>	<u>\$ 1,753</u>	<u>\$ (506)</u>	<u>\$ (558)</u>	<u>\$ (1,806)</u>	<u>\$ (413)</u>	<u>\$ 1,710</u>
Covered payroll	\$ 71,888	\$ 73,353	\$ 38,970	\$ 39,573	\$ 30,477	\$ 26,777	\$ 38,537	\$ 41,038	\$ 31,119
Contributions as a percentage of covered payroll	14.67%	14.50%	14.61%	15.87%	20.32%	19.48%	15.36%	16.15%	15.10%

**City of Maumelle, Arkansas**  
**Schedule of Plan Contributions**  
**December 31, 2023**

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**Elected Official Retirement**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ 148,084	\$ 257,457	\$ 254,901	\$ 152,721
Contributions in relation to the actuarially determined contributions	<u>61,817</u>	<u>61,817</u>	<u>61,817</u>	<u>61,817</u>
Contribution deficiency (excess)	<u>\$ 86,267</u>	<u>\$ 195,640</u>	<u>\$ 193,084</u>	<u>\$ 90,904</u>
Covered payroll	\$ 152,898	\$ 239,150	\$ 260,564	\$ 270,865
Contributions as a percentage of covered payroll	40.43%	25.85%	23.72%	22.82%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled only information from those years for which information is available will be presented.

## ***Supplementary Information***



### ***Nonmajor Governmental Funds***

Special revenue and capital projects funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

#### ***Grant Fund***

The Grant Fund was established in 2021 to better separate grant funds from general fund monies. Grant receipts and expenses are tracked using this fund. The City's portion of matching funds are budgeted in the General or Street Fund and transferred to the grant fund for the match.

#### ***District Court Automation Fund***

Per A.C.A. §16-13-704 (3)(A) Funds are collected from persons authorized to pay fines and any other assessments in installments and these persons are assessed an installment fee of five dollars (\$5.00) per month. This fee shall be collected in full each month in which a defendant makes an installment payment. One-half (1/2) of the installment fee collected in district court shall be remitted by the tenth day of each month to the city treasurer of the City in which the district court is located to be deposited in a fund entitled the district court automation fund to be used solely for district court-related technology. Expenditures from the district court automation fund shall be approved by a district judge and shall be authorized, pursuant to state accounting law, by the governing body or, if applicable, governing bodies which contribute to the expenses of a district court.

#### ***FEMA Grant Fund***

The FEMA Grant Fund was created in 2020 to better track federal funds related to the FEMA Grant which will span several years. The City Council approved Resolution 2020-25 in September 2020 re-appropriating the City's match for this grant to the FEMA Grant Fund.

#### ***Capital Improvement Fund***

The Capital Improvement Fund was established by Ordinance 980 by the Maumelle City Council on July 1, 2019 in order to financially plan and prepare for future capital needs. Monies may only be moved into and out of this fund by the City Council by Ordinance, or Resolution, through adoption of the budget or otherwise.

#### ***Drug Control Fund***

Is maintained separately per A.C.A. §15-64-505, Section 2-628 of the Maumelle City Code and pursuant to the Federal Guide to Equitable Sharing. The Arkansas Code stipulates that 80% of the proceeds of seized property sold should be deposited into the Drug Control Fund of the retaining law enforcement agency or prosecuting attorney. Monies in the Drug Control Fund shall only be used for law enforcement and prosecutorial purposes.

#### ***ACT 833 Fund***

Was established in 2021 to separate the funds received through Arkansas ACT 883 and their related expenses. The funds require separate reporting and unspent funds can be kept for up to three years. These funds are also restricted for specific purposes by the State of Arkansas.

#### ***Police and Fire Fund***

The Police and Fire Fund was established by Ordinance 981 by the Maumelle City Council on July 1, 2019 in order to provide for the disbursement of the Public Safety Tax in a manner consistent with its designated purpose. All funds received by the City of Maumelle from the 0.50% Public Safety Tax approved by voters pursuant to Ordinance 944, and not otherwise required to pay and secure the repayment of the bonds approved pursuant to that Ordinance, shall be appropriated to the Police and Fire Fund, which shall be maintained by the Department of Finance for this purpose. The City Council may only budget the monies deposited into the Police and Fire Fund for use by the Police or Fire Departments and solely for the operation and maintenance of public safety facilities within the City, including equipment and personnel related expenses.

#### ***Capital Projects***

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or projects other than those financed by proprietary funds.

**City of Maumelle, Arkansas**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**December 31, 2023**

	Grant Fund	District Court Automation Fund	FEMA Grant Fund	Capital Improvement Fund	Drug Control Fund	Act 833 Fund	Police and Fire Fund	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>									
Cash	\$ 571,212	\$ 59,191	\$ 873,850	\$ 326,014	\$ 143,175	\$ 31,240	\$ 30	\$ (210,040)	\$ 1,794,672
Funds held by trustee	-	-	-	-	-	-	-	1,242,514	1,242,514
Taxes receivable	-	-	-	-	-	-	166,420	-	166,420
Accounts receivable – net	9,400	-	-	-	-	-	-	-	9,400
<b>Total Assets</b>	<u>580,612</u>	<u>59,191</u>	<u>873,850</u>	<u>326,014</u>	<u>143,175</u>	<u>31,240</u>	<u>166,450</u>	<u>1,032,474</u>	<u>3,213,006</u>
<b>FUND BALANCES</b>									
Restricted	-	59,191	-	-	143,175	31,240	-	1,032,474	1,266,080
Committed	600,142	-	980,228	326,014	-	-	166,450	-	2,072,834
Unassigned	(19,530)	-	(106,378)	-	-	-	-	-	(125,908)
<b>Total Fund Balances</b>	<u>580,612</u>	<u>59,191</u>	<u>873,850</u>	<u>326,014</u>	<u>143,175</u>	<u>31,240</u>	<u>166,450</u>	<u>1,032,474</u>	<u>3,213,006</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 580,612</u>	<u>\$ 59,191</u>	<u>\$ 873,850</u>	<u>\$ 326,014</u>	<u>\$ 143,175</u>	<u>\$ 31,240</u>	<u>\$ 166,450</u>	<u>\$ 1,032,474</u>	<u>\$ 3,213,006</u>

**City of Maumelle, Arkansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

	Grant Fund	District Court Automation Fund	FEMA Grant Fund	Capital Improvement Fund	Drug Control Fund	Act 833 Fund	Police and Fire Fund	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>									
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,002,184	\$ -	\$ 2,002,184
Intergovernmental revenues	145,126	-	65,138	-	-	-	-	-	210,264
Public safety fees	-	-	-	-	2,535	22,542	-	-	25,077
Legal and judicial fees	-	9,421	-	-	-	-	-	-	9,421
Investment income	-	-	-	-	-	-	-	67,073	67,073
Donations	7,526	-	-	-	-	-	-	-	7,526
<b>Total Revenues</b>	<b>152,652</b>	<b>9,421</b>	<b>65,138</b>	<b>-</b>	<b>2,535</b>	<b>22,542</b>	<b>2,002,184</b>	<b>67,073</b>	<b>2,321,545</b>
<b>Expenditures</b>									
Legal and judicial	-	4,501	-	-	-	-	-	-	4,501
Public safety	5,073	-	-	-	-	11,512	-	-	16,585
Community and economic development	1,972	-	-	-	-	-	-	-	1,972
Debt service fees	-	-	-	-	-	-	-	3,833	3,833
Capital outlay									
Public works and streets	686,081	-	64,206	-	-	-	-	314,476	1,064,763
Parks and recreation	775	-	-	-	-	-	-	-	775
<b>Total Expenditures</b>	<b>693,901</b>	<b>4,501</b>	<b>64,206</b>	<b>-</b>	<b>-</b>	<b>11,512</b>	<b>-</b>	<b>318,309</b>	<b>1,092,429</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(541,249)</b>	<b>4,920</b>	<b>932</b>	<b>-</b>	<b>2,535</b>	<b>11,030</b>	<b>2,002,184</b>	<b>(251,236)</b>	<b>1,229,116</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	77,500	-	-	122,014	-	-	30	-	199,544
Transfers out	-	-	-	-	-	-	(1,996,922)	(122,014)	(2,118,936)
<b>Total Other Financing Sources (Uses)</b>	<b>77,500</b>	<b>-</b>	<b>-</b>	<b>122,014</b>	<b>-</b>	<b>-</b>	<b>(1,996,892)</b>	<b>(122,014)</b>	<b>(1,919,392)</b>
Net change in fund balances	(463,749)	4,920	932	122,014	2,535	11,030	5,292	(373,250)	(690,276)
<b>Fund Balance – Beginning of Year</b>	<b>1,044,361</b>	<b>54,271</b>	<b>872,918</b>	<b>204,000</b>	<b>140,640</b>	<b>20,210</b>	<b>161,158</b>	<b>1,405,724</b>	<b>3,903,282</b>
<b>Fund Balance – End of Year</b>	<b>\$ 580,612</b>	<b>\$ 59,191</b>	<b>\$ 873,850</b>	<b>\$ 326,014</b>	<b>\$ 143,175</b>	<b>\$ 31,240</b>	<b>\$ 166,450</b>	<b>\$ 1,032,474</b>	<b>\$ 3,213,006</b>

## Statistical Section

This part of the City of Maumelle's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	PAGES
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	64–71
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	72–78
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	79–85
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	86–88
Operating Information <i>These schedules contain information about the City's operating environment.</i>	89–91

**City of Maumelle, Arkansas**  
**Net Position by Component**  
**10-Year Summary**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net invested in capital assets	\$ 35,240,803	\$ 37,338,652	\$ 38,141,976	\$ 40,843,124	\$ 52,714,227
Restricted	3,421,367	3,673,667	3,976,107	2,450,092	4,311,506
Unrestricted	<u>5,024,086</u>	<u>4,338,707</u>	<u>3,911,757</u>	<u>3,953,394</u>	<u>(4,959,792)</u>
Total governmental activities net position	<u>\$ 43,686,256</u>	<u>\$ 45,351,026</u>	<u>\$ 46,029,840</u>	<u>\$ 47,246,610</u>	<u>\$ 52,065,941</u>
Business-type activities					
Net invested in capital assets	\$ 639,348	\$ 583,638	\$ 676,186	\$ 869,660	\$ 986,143
Restricted	-	-	-	-	-
Unrestricted	<u>888,920</u>	<u>1,201,517</u>	<u>1,411,595</u>	<u>1,391,240</u>	<u>1,008,850</u>
Total business-type activities net position	<u>\$ 1,528,268</u>	<u>\$ 1,785,155</u>	<u>\$ 2,087,781</u>	<u>\$ 2,260,900</u>	<u>\$ 1,994,993</u>
Primary government					
Net Invested in capital assets	\$ 35,880,151	\$ 37,922,290	\$ 38,818,162	\$ 41,712,784	\$ 53,700,370
Restricted	3,421,367	3,673,667	3,976,107	2,450,092	4,311,506
Unrestricted	<u>5,913,006</u>	<u>5,540,224</u>	<u>5,323,352</u>	<u>5,344,634</u>	<u>(3,950,942)</u>
Total primary government net position	<u>\$ 45,214,524</u>	<u>\$ 47,136,181</u>	<u>\$ 48,117,621</u>	<u>\$ 49,507,510</u>	<u>\$ 54,060,934</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities					
Net invested in capital assets	\$ 48,022,802	\$ 46,085,383	\$ 47,314,526	\$ 51,738,596	\$ 53,546,890
Restricted	4,742,950	5,001,893	14,680,320	7,788,538	7,084,820
Unrestricted	<u>532,600</u>	<u>3,642,519</u>	<u>1,005,219</u>	<u>5,308,352</u>	<u>7,844,832</u>
Total governmental activities net position	<u>\$ 53,298,352</u>	<u>\$ 54,729,795</u>	<u>\$ 63,000,065</u>	<u>\$ 64,835,486</u>	<u>\$ 68,476,542</u>
Business-type activities					
Net invested in capital assets	\$ 813,213	\$ 570,052	\$ 639,851	\$ 488,108	\$ 809,258
Restricted	-	-	-	-	-
Unrestricted	<u>1,176,059</u>	<u>1,059,417</u>	<u>987,000</u>	<u>957,588</u>	<u>409,204</u>
Total business-type activities net position	<u>\$ 1,989,272</u>	<u>\$ 1,629,469</u>	<u>\$ 1,626,851</u>	<u>\$ 1,445,696</u>	<u>\$ 1,218,462</u>
Primary government					
Net invested in capital assets	\$ 48,836,015	\$ 46,655,435	\$ 47,954,377	\$ 52,226,704	\$ 54,356,148
Restricted	4,742,950	5,001,893	14,680,320	7,788,538	7,084,820
Unrestricted	<u>1,708,659</u>	<u>4,701,936</u>	<u>1,992,219</u>	<u>6,265,940</u>	<u>8,254,036</u>
Total primary government net position	<u>\$ 55,287,624</u>	<u>\$ 56,359,264</u>	<u>\$ 64,626,916</u>	<u>\$ 66,281,182</u>	<u>\$ 69,695,004</u>

**City of Maumelle, Arkansas**  
**Changes in Net Position**  
**2014–2018**  
**10-Year Summary**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Expenses</b>					
Governmental activities					
Administrative services	\$ 2,790,208	\$ 2,684,683	\$ 2,672,643	\$ 2,509,889	\$ 2,796,676
Highways and streets	1,931,238	1,949,484	2,130,379	2,732,397	2,149,105
Legal and judicial	286,568	293,746	289,478	290,300	302,373
Culture and recreation	1,811,555	1,832,018	1,817,684	2,005,254	2,101,299
Public safety	5,456,751	5,860,267	7,222,789	7,432,184	8,272,546
Economic development	600,763	597,599	589,634	588,815	591,620
Interest on long-term debt	521,448	754,683	735,611	683,087	947,885
Agent fees on long-term debt	40,826	21,368	12,817	10,484	12,714
Bond issuance costs	54,064	243,962	-	-	277,396
Total governmental activities expenses	13,493,421	14,237,810	15,471,035	16,252,410	17,451,614
Business-type activities					
Sanitation	1,063,930	1,031,423	1,017,172	1,154,979	1,280,887
Total primary government expenses	14,557,351	15,269,233	16,488,207	17,407,389	18,732,501
<b>Program revenues</b>					
Governmental activities					
Charges for services					
Public safety	825,661	920,867	873,394	811,727	402,781
Culture and recreation	394,529	375,403	342,397	825,511	435,322
Economic development	-	194,507	198,239	224,726	258,417
Other activities	417,242	189,374	163,296	240,761	143,215
Operating grants and contributions	6,614	200,013	294,908	708,218	114,411
Capital grants and contributions	274,784	31,000	-	-	-
Total governmental activities program revenues	1,918,830	1,911,164	1,872,234	2,810,943	1,354,146
Business-type activities					
Charges for services	1,337,958	1,258,621	1,319,798	1,328,098	1,000,052
Total primary government program revenues	3,256,788	3,169,785	3,192,032	4,139,041	2,354,198
<b>Net revenues (expenses)</b>					
Governmental activities	(11,574,591)	(12,326,646)	(13,598,801)	(13,441,467)	(16,097,468)
Business-type activities	274,028	227,198	302,626	173,119	(280,835)
Total primary government net revenues (expenses)	(11,300,563)	(12,099,448)	(13,296,175)	(13,268,348)	(16,378,303)

**City of Maumelle, Arkansas**  
**Changes in Net Position**  
**2014–2018 (Continued)**  
**10-Year Summary**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General revenues					
Governmental activities					
Taxes	\$ 6,510,243	\$ 6,546,399	\$ 6,619,143	\$ 6,772,391	\$ 10,601,891
Intergovernmental	7,236,273	7,370,459	7,586,940	7,593,855	5,666,151
Investment earnings	32,311	76,358	46,324	111,352	279,047
Miscellaneous	19,324	27,889	25,208	180,639	235,037
Transfers	(89,635)	(29,689)	-	-	-
Total governmental activities	13,708,516	13,991,416	14,277,615	14,658,237	16,782,126
Business-type activities					
Miscellaneous	-	-	-	-	14,928
Transfers	89,635	29,689	-	-	-
Total business-type activities	89,635	29,689	-	-	14,928
general revenues	89,635	29,689	-	-	14,928
Total primary government					
general revenues	13,798,151	14,021,105	14,277,615	14,658,237	16,797,054
Changes in net position					
Governmental activities	2,133,925	1,664,770	678,814	1,216,770	684,658
Business-type activities	363,663	256,887	302,626	173,119	(265,907)
Total primary government					
changes in net position	\$ 2,497,588	\$ 1,921,657	\$ 981,440	\$ 1,389,889	\$ 418,751

**City of Maumelle, Arkansas**  
**Changes in Net Position**  
**2019–2023**  
**10-Year Summary**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Expenses</b>					
Governmental activities					
Administrative services	\$ 3,251,552	\$ 4,073,295	\$ 3,455,525	\$ 3,795,634	\$ 3,576,976
Highways and streets	2,348,343	2,978,657	2,975,465	3,115,713	3,120,683
Legal and judicial	311,860	309,698	313,611	344,421	436,106
Culture and recreation	2,357,123	2,362,538	2,356,510	2,385,275	2,714,914
Public safety	8,939,676	9,150,474	8,386,493	9,259,712	9,399,070
Economic development	732,123	566,903	661,707	563,975	499,573
Interest on long-term debt	919,492	880,609	725,335	748,437	491,605
Agent fees on long-term debt	14,550	10,450	27,617	-	-
Bond issuance costs	123,898	-	-	-	-
Total governmental activities expenses	18,998,617	20,332,624	18,902,263	20,213,167	20,238,927
Business-type activities					
Sanitation	1,315,706	1,666,401	1,336,790	1,528,355	1,571,041
Total primary government expenses	20,314,323	21,999,025	20,239,053	21,741,522	21,809,968
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
Public safety	32,246	707,089	691,285	775,892	1,011,362
Culture and recreation	497,563	369,837	513,283	592,861	695,526
Economic development	193,131	258,407	266,675	574,192	297,289
Other activities	114,760	140,482	165,561	175,152	197,410
Operating grants and contributions	485,294	1,100,096	4,371,985	547,862	173,767
Capital grants and contributions	-	215,177	15,360	9,688	4,243
Total governmental activities program revenues	1,322,994	2,791,088	6,024,149	2,675,647	2,379,597
Business-type activities:					
Charges for services	1,281,164	1,303,033	1,334,172	1,314,429	1,343,807
Total primary government program revenues	2,604,158	4,094,121	7,358,321	3,990,076	3,723,404
<b>Net revenues (expenses)</b>					
Governmental activities	(17,675,623)	(17,541,536)	(12,878,114)	(17,537,520)	(17,859,330)
Business-type activities	(34,542)	(363,368)	(2,618)	(213,926)	(227,234)
Total primary government net revenues (expenses)	(17,710,165)	(17,904,904)	(12,880,732)	(17,751,446)	(18,086,564)
<b>General revenues</b>					
Governmental activities					
Taxes	16,771,271	17,108,787	19,182,358	17,035,984	19,130,259
Intergovernmental	1,517,929	1,543,305	1,770,229	1,948,529	1,805,771
Investment earnings	308,235	107,833	26,270	132,347	512,095
Miscellaneous	174,192	213,054	169,527	256,081	52,261
Transfers	-	-	-	-	-
Total governmental activities	18,771,627	18,972,979	21,148,384	19,372,941	21,500,386



**City of Maumelle, Arkansas**  
**Changes in Net Position**  
**2019–2023 (Continued)**  
**10-Year Summary**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Business-type activities					
Miscellaneous	\$ 28,821	\$ 3,565	\$ -	\$ 32,771	\$ -
Transfers	-	-	-	-	-
Total business-type activities general revenues	<u>28,821</u>	<u>3,565</u>	<u>-</u>	<u>32,771</u>	<u>-</u>
Total primary government general revenues	<u>18,800,448</u>	<u>18,976,544</u>	<u>21,148,384</u>	<u>19,405,712</u>	<u>21,500,386</u>
Changes in Net Position					
Governmental activities	1,232,411	1,431,443	8,270,270	1,835,421	3,641,056
Business-type activities	<u>(5,721)</u>	<u>(359,803)</u>	<u>(2,618)</u>	<u>(181,155)</u>	<u>(227,234)</u>
Total primary government changes in net position	<u>\$ 1,226,690</u>	<u>\$ 1,071,640</u>	<u>\$ 8,267,652</u>	<u>\$ 1,654,266</u>	<u>\$ 3,413,822</u>

**City of Maumelle, Arkansas**  
**Fund Balances of Governmental Funds**  
**10-Year Summary**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>General Fund</b>					
Nonspendable	\$ 13,600	\$ 19,338	\$ 21,198	\$ 170,222	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	56,086	63,406	18,579	8,733	8,952
Unassigned	4,938,950	5,321,563	5,656,100	6,476,077	5,806,446
<b>Total General Fund</b>	<u>5,008,636</u>	<u>5,404,307</u>	<u>5,695,877</u>	<u>6,655,032</u>	<u>5,815,398</u>
<b>All Other Governmental Funds</b>					
Restricted reported in					
Special revenue	3,369,723	3,626,143	3,924,142	2,393,777	4,276,823
Debt service	2,633,372	2,366,070	2,780,287	2,628,207	3,265,472
Capital projects	16,010,640	22,928,457	15,244,076	11,690,011	10,749,568
Nonmajor funds	20,802	26,588	31,270	32,888	34,683
Total all other government funds	<u>22,034,537</u>	<u>28,947,258</u>	<u>21,979,775</u>	<u>16,744,883</u>	<u>18,326,546</u>
<b>Total Governmental Funds</b>	<u>\$ 27,043,173</u>	<u>\$ 34,351,565</u>	<u>\$ 27,675,652</u>	<u>\$ 23,399,915</u>	<u>\$ 24,141,944</u>
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Fund</b>					
Nonspendable	\$ -	\$ 450,425	\$ 168,575	\$ 227,066	\$ 287,188
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	675,959	-	-	-
Unassigned	4,103,298	1,617,414	7,554,560	12,430,741	13,830,553
<b>Total General Fund</b>	<u>4,103,298</u>	<u>2,743,798</u>	<u>7,723,135</u>	<u>12,657,807</u>	<u>14,117,741</u>
<b>All Other Governmental Funds</b>					
Restricted reported in					
Special revenue	4,704,153	4,485,600	5,291,985	4,591,353	5,322,233
Debt service	3,957,027	5,263,460	5,815,139	2,088,571	1,416,208
Capital projects	10,148,502	7,323,587	6,488,200	-	-
Nonmajor funds	544,129	47,466	175,231	1,620,845	1,266,080
Nonspendable reported in					
Special revenue	-	5,003	5,959	38,495	-
Assigned reported in					
Special revenue	-	13,166	-	-	-
Committed reported in					
Nonmajor funds	-	1,983,682	1,448,155	2,282,437	2,072,834
<b>Total All Other Government Funds</b>	<u>19,353,811</u>	<u>19,121,964</u>	<u>19,224,669</u>	<u>10,621,701</u>	<u>10,077,355</u>
<b>Total Governmental Funds</b>	<u>\$ 23,457,109</u>	<u>\$ 21,865,762</u>	<u>\$ 26,947,804</u>	<u>\$ 23,279,508</u>	<u>\$ 24,195,096</u>

**City of Maumelle, Arkansas**  
**Changes in Fund Balances**  
**Governmental Funds 2014 – 2018**  
**10-Year Summary**

<b>Revenues</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Actual 2017</b>	<b>Actual 2018</b>
General property tax	\$ 4,891,881	\$ 4,942,983	\$ 5,013,729	\$ 5,180,353	\$ 5,547,067
Licenses and permits	178,569	194,507	198,239	224,725	258,417
Intergovernmental (including sales tax)	710,794	7,345,329	7,564,113	7,546,796	9,386,600
Charges for services	1,209,341	1,242,101	1,230,901	1,321,616	836,473
Fines	208,835	180,701	150,480	128,636	142,669
Utility franchise fees	1,570,890	1,713,632	1,629,326	1,603,499	1,723,625
Investment income	32,311	76,358	46,324	111,352	279,047
Miscellaneous	396,211	159,452	417,271	1,290,988	348,559
<b>Total Revenues</b>	<u>9,198,832</u>	<u>15,855,063</u>	<u>16,250,383</u>	<u>17,407,965</u>	<u>18,522,457</u>
<b>Expenditures</b>					
Administrative services	1,589,947	1,633,764	1,654,014	1,455,927	1,593,445
Public works and streets	1,488,629	1,425,756	1,599,179	2,181,883	1,579,978
Parks and recreation	1,709,376	1,734,106	1,728,967	1,909,581	2,001,654
Public safety	4,999,907	5,252,468	5,583,862	6,005,885	6,524,115
Debt service, general	201,932	372,372	119,859	117,526	106,676
Debt service, principal	2,045,000	13,635,000	1,815,000	2,445,000	2,415,000
Debt service, interest	477,113	703,275	796,546	762,903	697,952
Other	882,145	885,997	873,291	871,889	899,285
Capital outlay	3,799,505	2,598,203	8,755,578	5,968,210	16,079,127
<b>Total Expenditures</b>	<u>17,193,554</u>	<u>28,240,941</u>	<u>22,926,296</u>	<u>21,718,804</u>	<u>31,897,232</u>
<b>Other Financing Sources</b>	<u>5,521,627</u>	<u>19,694,272</u>	<u>-</u>	<u>35,102</u>	<u>14,116,804</u>
<b>Net Changes in Fund Balances</b>	<u>\$ 3,918,905</u>	<u>\$ 7,308,394</u>	<u>\$ (6,675,913)</u>	<u>\$ (4,275,737)</u>	<u>\$ 742,029</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	18.83%	55.92%	18.43%	20.37%	19.68%

**City of Maumelle, Arkansas**  
**Changes in Fund Balances**  
**Governmental Funds 2019 – 2023**  
**10 Year Summary**

<b>Revenues</b>	<b>Actual 2019</b>	<b>Actual 2020</b>	<b>Actual 2021</b>	<b>Actual 2022</b>	<b>Actual 2023</b>
General property tax	\$ 5,437,412	\$ 5,526,377	\$ 5,628,368	\$ 5,751,577	\$ 3,016,912
Licenses and permits	193,131	258,407	266,675	574,192	297,289
Intergovernmental (including sales tax)	10,943,382	11,690,367	17,801,183	15,248,134	16,338,419
Charges for services	548,427	716,217	845,373	993,497	1,111,126
Fines	112,649	140,040	164,229	169,102	191,205
Utility franchise fees	1,610,520	1,592,099	1,695,574	1,871,282	1,921,583
Investment income	308,235	107,833	26,270	132,347	512,095
Miscellaneous	775,684	1,490,332	236,080	266,139	67,375
<b>Total Revenues</b>	<b>19,929,440</b>	<b>21,521,672</b>	<b>26,663,752</b>	<b>25,006,270</b>	<b>23,456,004</b>
<b>Expenditures</b>					
Administrative services	2,066,775	1,981,304	1,957,797	2,089,494	2,028,236
Public works and streets	1,513,303	1,779,598	1,734,137	1,985,484	2,010,779
Parks and recreation	2,240,326	2,221,037	2,214,830	2,645,101	2,608,632
Public safety	7,201,722	8,221,520	8,176,334	8,836,222	8,915,568
Debt service, general	99,234	10,450	27,617	14,563	7,631
Debt service, principal	9,432,561	2,415,000	3,605,000	8,565,000	2,868,322
Debt service, interest	1,067,436	947,399	862,994	779,013	506,682
Other	1,041,421	891,218	993,328	544,646	935,679
Capital outlay	2,190,199	4,665,884	2,121,043	3,225,593	2,828,598
<b>Total Expenditures</b>	<b>26,852,977</b>	<b>23,133,410</b>	<b>21,693,080</b>	<b>28,685,116</b>	<b>22,710,127</b>
<b>Other Financing Sources</b>	<b>6,238,702</b>	<b>20,391</b>	<b>111,370</b>	<b>25,016,820</b>	<b>43,803</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (684,835)</b>	<b>\$ (1,591,347)</b>	<b>\$ 5,082,042</b>	<b>\$ 21,337,974</b>	<b>\$ 789,680</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>42.57%</b>	<b>18.21%</b>	<b>22.83%</b>	<b>36.70%</b>	<b>16.98%</b>

**City of Maumelle, Arkansas**  
**Government-Wide Revenues (Program and General)**  
**10-Year Summary**

Year	PROGRAM REVENUES			GENERAL REVENUES			Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes and Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	
2014	\$ 2,975,390	\$ 6,614	\$ 274,784	\$ 13,746,516	\$ 32,311	\$ 19,324	\$ 17,054,939
2015	2,938,772	200,013	31,000	13,916,858	76,358	27,889	17,190,890
2016	2,897,124	294,908	-	14,206,083	46,324	25,208	17,469,647
2017	3,430,823	708,218	-	14,366,246	111,352	180,639	18,797,278
2018	2,239,797	31,075	83,336	16,268,042	279,047	249,965	19,151,262
2019	2,119,096	32,572	591,015	18,289,200	308,235	200,595	21,540,713
2020	2,778,848	1,100,096	215,177	18,652,092	107,833	216,619	23,070,665
2021	2,970,976	4,371,985	15,360	20,952,587	26,270	169,527	28,506,705
2022	3,432,526	547,862	9,688	18,984,513	132,347	288,852	23,395,788
2023	3,545,394	173,767	4,243	20,936,030	512,095	52,261	25,223,790

**City of Maumelle, Arkansas**  
**General Government - Revenues By Source**  
**10-Year Summary**

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<b>Year</b>	<b>Administrative Services</b>	<b>Public Safety</b>	<b>Highways and Streets</b>	<b>Culture and Recreation</b>	<b>Municipal Court</b>	<b>Debt Service</b>	<b>Total</b>
2014	\$ 10,021,650	\$ 814,812	\$ 1,676,971	\$ 394,529	\$ 208,835	\$ 2,474,045	\$ 15,590,842
2015	10,262,962	876,709	1,680,109	365,392	180,701	2,489,190	15,855,063
2016	10,650,076	888,503	1,689,477	342,398	150,480	2,529,449	16,250,383
2017	11,603,913	848,545	1,752,220	473,071	128,636	2,601,580	17,407,965
2018	12,309,684	401,591	1,993,262	434,882	142,669	3,240,369	18,522,457
2019	14,250,204	50,909	2,295,234	497,518	112,649	2,722,926	19,929,440
2020	15,796,890	346,589	2,087,535	369,628	140,040	2,780,990	21,521,672
2021	20,663,065	332,632	2,144,823	512,741	164,229	2,846,262	26,663,752
2022	19,601,689	401,206	2,320,187	592,291	169,102	1,921,795	25,006,270
2023	17,814,204	416,073	2,280,204	695,053	191,205	2,059,265	23,456,004

**City of Maumelle, Arkansas**  
**General Government - Revenues by Type**  
**10-Year Summary**

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<b>Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Charges for Services</b>	<b>Inter- Gov't</b>	<b>Fines</b>	<b>Investment Earnings</b>	<b>Misc.</b>	<b>Total</b>
2014	\$ 13,565,565	\$ 178,569	\$ 1,209,341	\$ 374,779	\$ 208,835	\$ 32,311	\$ 21,442	\$ 15,590,842
2015	14,001,944	194,507	1,242,101	131,563	180,701	76,358	27,889	15,855,063
2016	14,207,168	198,239	1,230,901	392,063	150,480	46,324	25,208	16,250,383
2017	14,330,648	224,725	1,321,616	1,135,966	128,636	111,352	155,022	17,407,965
2018	16,657,292	258,417	836,473	86,071	142,669	279,047	262,488	18,522,457
2019	16,473,385	193,131	548,427	1,517,929	112,649	308,235	775,684	19,929,440
2020	16,886,782	258,407	716,217	1,922,061	140,040	107,833	1,490,332	21,521,672
2021	18,762,528	266,675	845,373	6,362,597	164,229	26,270	236,080	26,663,752
2022	19,993,666	574,192	993,497	2,877,327	169,102	132,347	266,139	25,006,270
2023	18,706,280	297,289	1,111,126	2,570,634	191,205	512,095	67,375	23,456,004

**City of Maumelle, Arkansas**  
**Assessed Valuation of Real, Personal, and Utility Property**  
**10-Year Summary**

<u>Year</u>	<u>Rate</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utility Property</u>	<u>Total</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2014	15.15	\$ 308,890,232	\$ 75,712,242	\$ 5,748,015	\$ 390,350,489	\$ 1,951,752,445	20%
2015	15.15	317,230,330	78,267,665	5,906,560	401,404,555	2,007,022,775	20%
2016	15.15	323,329,626	86,968,830	5,769,700	416,068,156	2,080,340,780	20%
2017	15.15	326,853,984	89,540,215	5,633,345	422,027,544	2,110,137,720	20%
2018	15.15	335,290,167	76,933,820	5,696,460	417,920,447	2,089,602,235	20%
2019	15.15	341,940,749	81,725,710	6,342,950	430,009,409	2,150,047,045	20%
2020	15.15	348,814,495	87,506,780	6,187,825	442,509,100	2,212,545,500	20%
2021	15.15	353,391,963	92,783,335	6,341,235	452,516,533	2,262,582,665	20%
2022	8.55	384,993,618	101,018,540	6,456,780	492,468,938	2,462,344,690	20%
2023	8.55	411,495,629	105,603,925	7,213,990	524,313,544	2,621,567,720	20%

*Note: Tax collection years are shown above. Assessments were made and certified the preceding year. Source:*

*Pulaski County Tax Assessor*



**City of Maumelle, Arkansas**  
**Property Tax Rates – Direct and Overlapping Governments**  
**10-Year Summary**

Fiscal Year	Direct Rates					Overlapping Rates		
	City of Maumelle					County	School District	
	Debt Service Millage	Operating Millage	Roads	Library Millage	Total	Total	Total	Total
2014	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2015	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2016	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2017	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2018	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2019	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2020	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2021	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2022	-	5.00	1.45	2.10	8.55	7.05	40.70	56.30
2023	-	5.00	1.45	2.10	8.55	7.05	40.70	56.30

*Overlapping rates are those of local and county governments that apply to property owners within the City of Maumelle. Not all overlapping rates apply to all Maumelle property owners.*

*Direct Rates are those that apply only to property owners within the City of Maumelle.*

*Source: Pulaski County Tax Assessor; Pulaski County Treasurer*

State statutory limits on City tax rate:

General Operation	5 mills
General Improvement Bonds	Unlimited subject to voter approval
Industrial development bonds	5 mills
Firemen's pensions and policemen's pensions	1 mill each

**City of Maumelle, Arkansas**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2023 Assessed Valuation</b>	<b>2023 Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>2014 Assessed Valuation</b>	<b>2014 Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Mack - Park at Maumelle	Multi-unit Housing	\$ 5,139,200	1	0.98%	\$ 2,527,160	3	0.65%
Ace Hardware Group	Distribution Warehouse	3,968,757	2	0.76%	3,595,372	1	0.92%
Glen Una Holdings LIT	Storage Warehouse	3,705,240	3	0.71%	-		
Kimberly-Clark	Manufacturer	3,216,800	4	0.61%	2,101,360	4	0.54%
Molex Incorporated	Computer Cabling	3,319,400	5	0.63%	2,660,000	2	0.68%
Audubon - Good Samaritan	Multi-unit Housing	3,038,555	6	0.58%	-		
Mint - The Villa at Riverpoint 1	Multi-unit Housing	3,034,800	7	0.58%	-		
Highland Pointe Property Inv	Multi-unit Housing	2,965,700	8	0.57%	1,995,840	5	0.51%
Mint - The Villa at Riverpoint 2	Multi-unit Housing	2,856,200	9	0.54%	-		
CCS - Frosty-aire of Arkansas	Distribution Warehouse	1,892,365	10	0.36%	1,291,970	8	0.33%
Kroger Limited Partnership	Retail Grocery Store	-			1,492,320	6	0.38%
RSC - Little Rock, LLC	Equipment Rental	-			1,396,600	7	0.36%
Medline Industries	Distributor	-			1,139,600	9	0.29%
Gables of Maumelle Apt	Multi-unit Housing	-			1,087,020	10	0.28%
		<u>33,137,017</u>		<u>6.32%</u>	<u>19,287,242</u>		<u>4.94%</u>

*Source: Pulaski County Treasurer*

**City of Maumelle, Arkansas**  
**Collection Of Taxes - Tax Collection of Ad Valorem Taxes**  
**10 Year Summary**

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Year	Tax Levy Prior Year	Taxes Levied in the Prior Year Collected Within the Current year	
		Amount	Percentage of Levy
2014	\$ 5,095,353	\$ 4,836,634	94.92%
2015	5,094,563	4,921,895	96.61%
2016	5,238,348	5,013,728	95.71%
2017	5,300,399	5,151,862	97.20%
2018	5,325,938	5,227,933	98.16%
2019	5,453,895	5,329,149	97.71%
2020	5,612,046	5,407,980	96.36%
2021	5,774,775	5,507,960	95.38%
2022	5,905,373	5,751,578	97.40%
2023	3,176,454	3,016,912	94.98%

*Note: Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year. Data are not available to show the current level by year of outstanding delinquent taxes.*

*Source: Pulaski County Treasurer*

**City of Maumelle, Arkansas**  
**Debt Structure**  
**10-Year Summary**

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<b>Year</b>	<b>Principal</b>	<b>Interest and Fiscal Charges</b>	<b>Total Debt Service</b>	<b>Total General Expenditures</b>	<b>Percentage of Debt Service of Total General Expenditures</b>
2014	\$ 2,045,000	\$ 477,113	\$ 2,522,113	\$ 17,193,554	14.67%
2015	13,635,000	703,275	14,338,275	28,240,941	50.77%
2016	1,815,000	796,546	2,611,546	22,926,296	11.39%
2017	2,445,000	762,903	3,207,903	21,718,804	14.77%
2018	2,415,000	697,952	3,112,952	31,897,232	9.76%
2019 *	9,432,561	1,067,436	10,499,997	26,852,977	39.10%
2020	2,415,000	957,849	3,372,849	23,133,410	14.58%
2021	3,605,000	890,611	4,495,611	21,693,080	20.72%
2022**	8,565,000	793,576	9,358,576	28,685,116	32.63%
2023	2,868,322	514,313	3,382,635	22,710,127	14.89%

\* Series 2012 bonds refunded

\*\* Series 2015 bonds redeemed

**City of Maumelle, Arkansas**  
**Ratio of Outstanding**  
**Debt by Type**  
**10-Year Summary**

Year	Governmental Activities				Business-Type Activities	Total Primary Government	Assessed Value <sup>2</sup>	Percentage of Assessed Value
	General Obligation Bonds	Revenue Bonds	Leases	Premiums & Discounts	Notes Payable			
2014	13,415,000	7,655,528	321,126	-	29,545	\$ 21,421,199	390,350,489	5.49%
2015	19,575,682	7,438,345	214,084	-	-	27,228,111	401,404,555	6.78%
2016	17,919,257	7,216,162	107,042	-	-	25,242,461	416,068,156	6.07%
2017	15,040,000	7,040,000	-	-	-	22,080,000	422,027,544	5.23%
2018	26,820,000	6,760,000	-	-	-	33,580,000	417,920,447	8.04%
2019	24,150,000	6,235,000	-	782,163	-	31,167,163	430,009,409	7.25%
2020	22,110,000	5,860,000	-	740,204	-	28,710,204	442,509,100	6.49%
2021	18,885,000	5,480,000	-	652,858	-	25,017,858	452,516,533	5.53%
2022	10,715,000	5,085,000	356,246	233,383	-	16,389,629	492,468,938	3.33%
2023	8,360,000	4,680,000	261,106	212,462	-	13,513,568	524,313,544	2.58%

Year	Population <sup>1</sup>	Debt Per Capita	Per Capita Personal Income	Percentage of Personal Income
2014	17,826	1,201.68	37,850	3.17%
2015	17,970	1,515.20	36,948	4.10%
2016	18,204	1,386.64	39,577	3.50%
2017	18,205	1,212.85	40,264	3.01%
2018	18,100	1,855.25	43,066	4.31%
2019	18,199	1,712.58	43,988	3.89%
2020	19,070	1,505.52	44,714	3.37%
2021	19,070	1,311.90	50,916	2.58%
2022	19,273	850.39	50,916	1.67%
2023	19,452	694.71	50,916	1.36%

Data Sources:

<sup>1</sup> U.S. Census Bureau

<sup>2</sup> Pulaski County Treasurer's Office

NOTE: The premiums and discounts are included in the debt balance beginning in 2019.

**City of Maumelle, Arkansas**  
**Ratio of Bonded Debt to Assessed Value and Population**  
**10-Year Summary**

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Assessed Value<sup>2</sup></b>	<b>Accumulated Resources Restricted for Payment of General Bonded Debt</b>	<b>Net Bonded Debt</b>	<b>Percentage of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2014	17,826	\$ 390,446,899	\$ 2,675,836	\$ 19,149,349	4.90%	\$ 1,074.24
2015	17,970	390,350,489	2,395,185	24,552,275	6.29%	1,366.29
2016	18,204	401,404,555	2,804,402	22,438,059	5.59%	1,232.59
2017	18,205	416,068,156	2,652,322	19,427,678	4.67%	1,067.16
2018	18,100	422,027,544	3,054,471	30,525,529	7.23%	1,686.49
2019	18,199	417,920,447	3,638,355	26,746,645	6.40%	1,469.68
2020	18,193	430,009,409	4,975,912	22,994,088	5.35%	1,263.90
2021	19,070	442,509,100	5,450,090	19,914,910	4.50%	1,044.31
2022	19,273	452,516,533	2,088,571	13,711,428	3.03%	711.43
2023	19,452	524,313,544	1,416,208	11,836,254	2.26%	608.49

*Data Sources:*

<sup>1</sup> U.S. Census Bureau

<sup>2</sup> Pulaski County Treasurer's Office

**City of Maumelle, Arkansas**  
**Schedule of Overlapping Debt**  
**December 31, 2023**

	<b>Gross Bonded Debt Less Funds Available for Retirement</b>	<b>Percentage Applicable to the City of Maumelle</b>	<b>City of Maumelle's Share of Bonded Debt</b>
City of Maumelle	\$ 13,040,000	100.0%	\$ 13,040,000
Pulaski County Special School District <sup>1</sup>	<u>314,435,000</u>	28.0%	<u>88,041,800</u>
Total	<u>\$ 327,475,000</u>		<u>\$ 101,081,800</u>

Source: <sup>1</sup> Pulaski County Special School District

The percentage applicable to Maumelle was provided by Pulaski County Special School District.

**City of Maumelle, Arkansas**  
**Legal Debt Margin Information**  
**For the Fiscal Year Ended December 31, 2023**

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Computation of the City's legal debt margin as set forth in Amendment 62 in the Constitution of the State of Arkansas is as follows:

Assessed value	\$ 524,313,544	
Debt limitation 20% of assessed value	104,862,709	
General obligation debt	(13,040,000)	
Less amount available in debt service fund	<u>1,416,208</u>	
Total amount of debt applicable to debt limitation		(11,623,792)
Legal debt margin		<u><u>\$ 93,238,917</u></u>

*Note: Under state finance law, the City of Maumelle's outstanding general debt should not exceed 20% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.*



City of Maumelle, Arkansas  
Legal Debt Margin - Trend Information  
10-Year Summary

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2014	\$ 78,070,098	\$ 11,039,164	\$ 67,030,934	14%
2015	80,280,911	17,180,498	63,100,413	21%
2016	83,213,631	15,114,855	68,098,776	18%
2017	84,405,509	12,387,678	72,017,831	15%
2018	83,584,089	30,525,529	53,058,560	37%
2019	86,001,882	26,746,645	59,255,237	31%
2020	88,501,820	22,994,088	65,507,732	26%
2021	90,503,307	18,914,910	71,588,397	21%
2022	98,493,788	13,711,429	84,782,359	14%
2023	104,862,709	11,623,792	93,238,917	11%

**City of Maumelle, Arkansas**  
**Pledged-Revenue Coverage Information**  
**10-Year Summary**

**2019 Franchise Fee Revenue Refunding Bonds**

<b>Fiscal Year</b>	<b>Pledged Revenues (1)</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2014	\$ 1,570,890	\$ 215,000	\$ 272,422	\$ 487,422	3.22
2015	1,713,632	220,000	267,923	487,923	3.51
2016	1,629,326	225,000	263,523	488,523	3.34
2017	1,603,499	230,000	259,023	489,023	3.28
2018	1,723,625	280,000	254,423	534,423	3.23
2019	1,610,520	6,760,000	256,523	7,016,523	0.23
2020	1,592,099	380,000	151,605	531,605	2.99
2021	1,695,574	395,000	140,205	535,205	3.17
2022	1,871,282	405,000	128,355	533,355	3.51
2023	1,921,583	420,000	116,205	536,205	3.58

**2018 Special Obligation Sales & Use Tax Bonds**

<b>Fiscal Year</b>	<b>Pledged Revenues (2)</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2018	\$ 485,030	\$ -	\$ -	\$ -	
2019	1,376,010	505,000	469,731	974,731	1.41
2020	1,421,916	520,000	454,582	974,582	1.46
2021	1,660,375	535,000	438,981	973,981	1.70
2022	1,755,126	555,000	417,581	972,581	1.80
2023	2,002,184	575,000	395,381	970,381	2.06

1) 2019 Franchise Fee Revenue Refunding Bonds are backed by franchise fee revenues. This bond was previously refunded in 2005, 2007 and 2012.

(2) 2018 Special Obligation Sales & Use Tax Bonds are backed by a 0.50% Sales Tax and a 0.50% Continuing Sales & Use Tax.

**City of Maumelle, Arkansas**  
**Demographic and Economic Statistics**  
**10-Year Summary**

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Personal Income<sup>2</sup></b>	<b>Median Age<sup>2</sup></b>	<b>School Enrollment<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
2014	17,826	674,714,100	37,850	35.9	4,772	5.50
2015	17,970	663,955,560	36,948	34.6	5,068	4.30
2016	18,204	720,459,708	39,577	34.6	5,068	3.80
2017	18,205	733,006,120	40,264	39.5	4,823	3.80
2018	18,100	779,494,600	43,066	40.4	4,534	3.70
2019	18,199	800,537,612	43,988	39.8	4,651	3.50
2020	18,193	813,481,802	44,714	40.3	4,353	5.00
2021	19,070	869,630,140	45,602	39.1	4,418	4.90
2022	19,273	981,304,068	50,916	41.8	4,459	3.50
2023	19,452	990,418,032	50,916	38.9	4,597	3.50

*Data Sources:*

<sup>1</sup> U.S. Census Bureau

<sup>2</sup> U.S. Census Bureau, American Community Survey 5-Year Estimates

<sup>3</sup> U.S. Bureau of Labor Statistics, American Community Survey 5-Year Estimates

**City of Maumelle, Arkansas**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Molex LRC Business Unit	500	1	2.9%	950	2	27.1%
Dillards Internet Fulfillment Center	382	2	5.6%	324	4	9.3%
Kimberly Clark Co	303	3	3.3%	260	1	7.4%
Kimberly Clark Coporation	303	4	2.9%	250	5	7.1%
Pepsi Beverage Company	180	5	1.8%			
Cintas Corporation	174	6	1.7%	130	6	3.7%
BEI Precision Systems & Space	124	7	1.2%	265	3	7.6%
Lamb & Associates Packaging	100	8	1.0%	75	8	2.1%
Plastic Ingenuity, Inc.	94	9	0.9%			
Ink Custom Tees	75	10	0.7%			
Molex HPC Business Unit				120	7	3.4%
Claudias Canine Cuisine				75	9	2.1%
CLM Pallet Recycling Inc.				58	10	1.7%

*Source: City of Maumelle Community and Economic Development Department*

**City of Maumelle, Arkansas**  
**Full-Time Equivalent City Government**  
**Employees by Function**  
**10-Year Summary**

<b>Function</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Administrative services	15	15	13	15	14
Public works	23	31	30	31	29
Legal and judicial	4	5	4	3	3
Parks and recreation	30	35	35	26	35
Senior services	-	-	-	-	-
Public safety	77	77	78	78	88.0
Community and economic development	9	8	9	8	9.0
Sanitation	12	12	15	15	15
<b>Totals</b>	<b>170</b>	<b>183</b>	<b>184</b>	<b>176</b>	<b>193</b>
<b>Function</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Administrative services	15.5	15.5	13.5	16.0	12.0
Public works	29	29	30	35	32
Legal and judicial	3	3	4	5	4
Parks and recreation	42	42	28.5	18.0	17.0
Senior services	10	12	13	16	15
Public safety	95.5	96	97	98	91
Community and economic development	8	8	8	6	8
Sanitation	14.5	19	19	22	17
<b>Totals</b>	<b>218</b>	<b>224</b>	<b>213.0</b>	<b>216</b>	<b>196</b>

*Source: City of Maumelle Human Resources Department*

**City of Maumelle, Arkansas**  
**Operating Indicators by Function/Program**  
**10-Year Summary**

<b>Function</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Police</b>					
Number of uniformed employees	32	33	35	37	38
Service calls	8,177	10,118	11,779	12,580	12,391
Arrests	1,019	920	925	913	1,112
Traffic stops	4,014	2,363	2,287	2,895	3,255
Traffic citations	990	617	501	637	631
Training man hours	1,976	3,064	2,078	5,136	2,599
<b>Fire</b>					
Number of uniformed employees	29	29	32	36	37
Fires	57	68	45	58	46
Rescue, emergency medical calls	1,095	1,032	977	1,009	1,208
Hazardous condition, standby	44	40	33	48	47
Service calls	130	147	159	153	231
Good intent calls	78	109	110	59	189
False alarm calls	133	230	117	106	116
Natural disaster calls	7	14	1	3	1
Other calls	5	11	177	104	9
Total calls	1,549	1,651	1,619	1,540	1,847
<b>Animal Control</b>					
Number of uniformed employees	6	6	6	6	6
Number of animals taken into custody	817	725	606	667	554
Service calls	6,138	6,164	7,716	5,773	5,352
Adoptions <sup>4</sup>	-	-	-	-	-
<b>Parks and Recreation</b>					
Pool attendance	2,440	2,099	1,837	2,092	1,945
Participants in youth league sports <sup>2</sup>	70	80	80	80	80
Participants in adult league sports	998	927	970	941	462
<b>Senior Services</b> <sup>3</sup>					
Senior center attendance				40,493	65,286
Rides				6,001	6,236
Members				1,398	1,549
Meals served				15,620	20,686
<b>Garbage Collections</b>					
Monthly service rate	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Curbside recycling tonnage	543	521	502	574	574
Year waste cubic yardage	5,125	4,350	4,250	4,540	4,900
Class I tonnage	5,200	4,892	4,924	5,000	5,803
<b>Code Enforcement/Building Permits</b>					
Total building permits issued <sup>1</sup>	101	1,412	1,726	2,701	1,294
New commercial permits	3	9	4	3	3
Commercial construction value	3,876,900	29,044,990	21,138,745	5,796,342	6,895,659
New residential permits	98	35	53	60	79
Residential construction value	21,565,694	9,792,502	17,162,109	15,583,358	22,319,661

Source: Various City departments

<sup>1</sup> Includes all permits issued during the year - construction as well as fence, deck, pool, etc.

<sup>2</sup> The City only manages sports for 1st and 2nd graders. Other age groups are managed by individual sports associations.

<sup>3</sup> Data not available prior to 2017.

<sup>4</sup> Animal Services didn't start tracking adoptions until 2021.

**City of Maumelle, Arkansas**  
**Operating Indicators by Function/Program**  
**10-Year Summary (Continued)**

<b>Function</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Police</b>					
Number of uniformed employees	38	38	38	38	40
Service calls	11,995	10,848	12,562	14,197	17,430
Arrests	930	869	999	498	1,420
Traffic stops	2,693	3,070	2,387	5,198	9,905
Traffic citations	644	685	691	1,573	2,282
Training man hours	2,586	4,742	4,987	5,768	8,395
<b>Fire</b>					
Number of uniformed employees	40	40	40	40	43
Fires	62	49	43	55	53
Rescue, emergency medical calls	1,141	1,193	1,374	1,415	1,451
Hazardous condition, standby	47	28	44	40	49
Service calls	195	265	354	379	367
Good intent calls	225	240	179	146	150
False alarm calls	65	109	174	190	228
Natural disaster calls	8	5	1	4	4
Other calls	3	2	5	10	10
Total calls	1,746	1,891	2,174	2,239	2,312
<b>Animal Control</b>					
Number of uniformed employees	6	6	5	5	6
Number of animals taken into custody	524	512	512	846	1,199
Service calls	6,873	7,110	7,683	8,450	9,500
Adoptions <sup>4</sup>	-	-	235	379	532
<b>Parks and Recreation</b>					
Pool attendance	1,862	2,512	2,561	3,191	5,757
Participants in youth league sports <sup>2</sup>	80	61	70	80	73
Participants in adult league sports	412	0	78	182	182
<b>Senior Services <sup>3</sup></b>					
Senior center attendance	85,665	21,389	29,857	71,775	81,879
Rides	6,714	4,259	5,354	5,726	5,841
Members	1,660	1,258	1,246	1,546	1,598
Meals served	26,234	17,763	19,549	21,845	24,481
<b>Garbage Collections</b>					
Monthly service rate	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Curbside recycling tonnage	520.2	502.5	519.4	529.7	606.0
Year waste cubic yardage	7,085	8,775	7,145	4,850	5,300
Class I tonnage	5,963	6,390	5,562	5,077	5,351
<b>Code Enforcement/Building Permits</b>					
Total building permits issued <sup>1</sup>	1,225	1,461	300	1,083	1,254
New commercial permits	2	3	2	1	4
Commercial construction value	13,977,000	9,800,000	23,253,609	104,911,060	9,088,000
New residential permits	66	80	102	85	109
Residential construction value	20,747,595	19,504,473	37,067,240	24,122,210	29,344,238

## ***Compliance Section***



## **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**

Honorable Caleb Norris, Mayor  
and Members of the City Council  
City of Maumelle, Arkansas  
Maumelle, Arkansas

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maumelle, Arkansas (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 13, 2024.

### **Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Forvis Mazars, LLP**

**Little Rock, Arkansas  
December 13, 2024**

## Independent Accountant's Report on Compliance with Certain State Acts

The Honorable Caleb Norris, Mayor  
and the Members of the City Council  
City of Maumelle, Arkansas  
Maumelle, Arkansas

We have examined management's assertion that the City of Maumelle, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2023.

- (1) Arkansas Municipal Accounting Law, §14-59-101 et seq.
- (2) Arkansas District Courts and City Courts Accounting Law, §16-10-201 et seq.
- (3) Improvement contracts, §§ 22-9-202 – 22-9-204
- (4) Budgets, purchases and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.
- (5) Investment of public funds, § 19-1-501 et seq.
- (6) Deposit of public funds, §§ 19-8-101 – 19-8-107

Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement

In our opinion, management's assertion that the City of Maumelle, Arkansas, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2023, is fairly stated, in all material respects.

This report is intended solely for the information and use of the governing body, management and the State of Arkansas and is not intended to be, and should not be, used by anyone other than these specified parties.

**Forvis Mazars, LLP**

**Little Rock, Arkansas  
December 13, 2024**