



**CITY OF MAUMELLE, ARKANSAS**

**Annual Comprehensive Financial Report**

**For the Year Ended December 31, 2019**

**Prepared by:**

**Liz Mathis  
Director of Finance**

**City of Maumelle, Arkansas**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2019**

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## **INTRODUCTORY SECTION**



May 26, 2022

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, 2019.

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 EGP, PLLC 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, 2019, 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 an unmodified opinion that the City's financial statements for the fiscal year ending December 31, 2019, 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 17,736.

The City of Maumelle is formed in the Mayor-Council form of government. Policy making and legislative authority are vested in a governing body consisting of the Mayor and eight Aldermen. The governing body is responsible, among other things, for adopting the annual budget, appointing committees, and for setting policy and enacting laws for the City. The Mayor is responsible for carrying out the policies and ordinances of the

governing Council, for overseeing the day-to-day operations of the government and for appointing the heads of various departments. The Mayor presides over the Council meetings without voting rights; however, the Mayor can cast a positive vote in order to break a tie and can be counted to establish a quorum. 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; 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 and department (legal level of control). Department heads may request transfers within the department, subject to the Mayor's approval. Transfers between departments require the adoption of a Resolution by Council. The budget to actual comparisons for the General Fund and Street Fund are presented on pages 16-17 of this report.

### ***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. In 2019 the City Council approved a Capital Improvement Fund to begin setting aside funds for future Capital needs.

#### **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 total fund balance decreased by \$1,712,100, in 2019.

#### **Major initiatives**

- The White Oak Crossing Interchange at I-40 was completed in November 2019
- Sidewalks and crosswalks were installed on Edgewood Drive to improve connectivity and walkability among schools, parks, the library private businesses and the Community Center, tennis courts & pool.
- Architects were selected, designs were completed and construction commenced on the much-needed remodel and renovations of City Hall, approved by the voters in 2014. The redesign will effectively

transform City Hall's motel-style layout to a more practical floor plan providing for a more efficient workflow and additional security.

- Planning for three future road construction projects was completed including the Crystal Hill Road improvements, the proposed roundabout on Country Club Parkway and a plan for a possible future roundabout on South Odom. .
- In 2018 the city began working with Entergy and the owners of the 121 acres industrial site, located on Champs Blvd and Jackie Burnett Drive in to obtain Entergy's Certified Select Site recognition. Those efforts culminated in November 2019, with recognition of the site as a Certified Select Site. With a Wetland Delineation, archaeological studies, Environmental Phase 1, and various other reports already completed, the property and community are more competitive when a company is looking for a location.
- The City underwent a bond refunding and issuance that effectively refinanced some of our debt to pay off the bonds 4 years early with a gross cash flow benefit of \$1.35 million dollars to the tax payers.
- Construction began on the long-awaited Adaptive Traffic Signal Control System, which involves updating the traffic signals along Maumelle boulevard.

#### ***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 John Craft, in partnership with EGP, PLLC 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.



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Caleb Norris  
Mayor



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Liz Mathis  
Director of Finance

## OFFICIALS OF THE CITY OF MAUMELLE, ARKANSAS

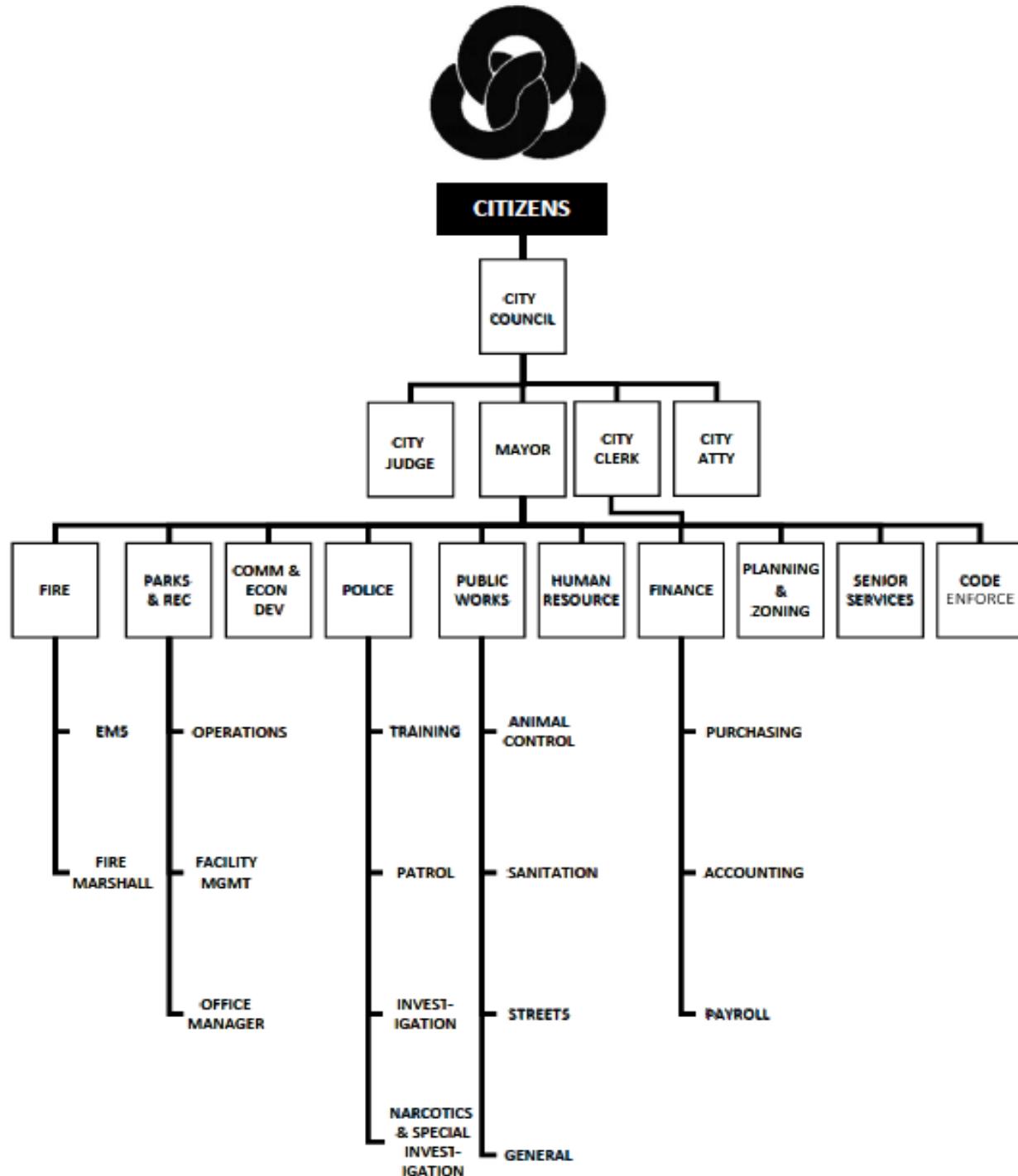
**Elected Officials**

Caleb Norris	Mayor
Steve Mosley	Ward 1, Position 1
Ken Saunders	Ward 1, Position 2
Marion Scott-Coney	Ward 2, Position 1
Chad Gardner	Ward 2, Position 2
Terry Williams	Ward 3, Position 1
Michael Tierney	Ward 3, Position 2
John Vaprezsan	Ward 4, Position 1
Jess Holt	Ward 4, Position 2
Melissa Krebs	City Attorney
Tina Timmons	City Clerk/Treasurer
Rita Bailey	Municipal Judge

**City Commissions**  
Chairpersons

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

## ORGANIZATIONAL CHART



## **FINANCIAL SECTION**

### Independent Auditor's Report

To the City Council of Maumelle  
And Management of the City of Maumelle  
Maumelle, Arkansas

#### **Report on the Financial Statements**

We have audited the accompanying 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 (the "City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Maumelle, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3-9, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date on page 55-56, and the Schedule of Plan Contributions on page 57 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

### ***Other Information***

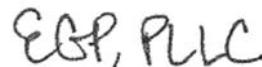
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section on pages *i-v*, other supplementary information on pages 47-53, and statistical section on pages 58-83 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information on pages 48-53 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of the City of Maumelle'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 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 of Maumelle's internal control over financial reporting and compliance.



May 26, 2022

Certified Public Accountants & Consultants  
North Little Rock, Arkansas

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the City of Maumelle (the "City"), provides this Management's Discussion and Analysis. This narrative overview of the City's financial activities is for the year ended December 31, 2019. 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, 2019 by \$55,287,624 (presented as net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,457,109 , a decrease of \$684,835 , due to planned spending of governmental fund balances.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,103,298 , or 30 percent of total general fund expenditures.
- The City's total debt decreased by \$3,240,315 due principal payments and the refinancing of the 2012 Series Bonds.

**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 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, community development, and parks and recreation. The business-type activities of the City include sanitation services.

The government-wide financial statements can be found on pages 10-11 of this report.

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**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 seven 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, capital improvement fund, and the debt service fund, all of which are considered to be major funds. Data from the other three nonmajor governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is 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 12-17 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 18-20 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 agency fund. The City uses the agency 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 statement can be found on page 21 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 22-46 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 47-83 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 2019 compared to 2018:

**CITY OF MAUMELLE  
NET POSITION**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 29,380,494	\$ 29,491,422	\$ 1,284,057	\$ 1,284,441	\$ 30,664,551	\$ 30,775,863
Capital assets	64,623,281	64,810,373	813,213	986,143	65,436,494	65,796,516
Total assets	94,003,775	94,301,795	2,097,270	2,270,584	96,101,045	96,572,379
Total deferred outflows of resources	2,259,909	4,469,579	-	-	2,259,909	4,469,579
Long-term liabilities	40,611,923	44,938,589	18,209	15,775	40,630,132	44,954,364
Other liabilities	1,293,167	1,094,604	89,789	259,816	1,382,956	1,354,420
Total liabilities	41,905,090	46,033,193	107,998	275,591	42,013,088	46,308,784
Total deferred inflows of resources	1,060,242	672,240	-	-	1,060,242	672,240
Net position:						
Net investment in capital assets	48,022,802	52,714,227	813,213	986,143	48,836,015	53,700,370
Restricted	4,742,950	4,311,506	-	-	4,742,950	4,311,506
Unrestricted	532,600	(4,959,792)	1,176,059	1,008,850	1,708,659	(3,950,942)
Total net position	<u>\$ 53,298,352</u>	<u>\$ 52,065,941</u>	<u>\$ 1,989,272</u>	<u>\$ 1,994,993</u>	<u>\$ 55,287,624</u>	<u>\$ 54,060,934</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 \$1,232,411 as of the end of December 31, 2019. The largest portion of the City's net position (\$48,022,802) 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. 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, \$4,742,950 represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of \$532,600 is unrestricted.

**ANALYSIS OF THE CITY'S OPERATIONS**

The following table provides a summary of the City's operations for the year ended December 31, 2019 and 2018.

**CITY OF MAUMELLE  
CHANGES IN NET POSITION**

	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total Primary Government 2019	Total Primary Government 2018
<b>Revenues</b>						
Program revenues:						
Charges for services	837,932	1,239,735	1,281,164	1,000,052	2,119,096	2,239,787
Operating grants and contributions	32,572	31,075	-	-	32,572	31,075
Capital grants and contributions	591,015	83,336	-	-	591,015	83,336
General revenues:						
Property taxes	5,735,298	5,157,817	-	-	5,735,298	5,157,817
Sales taxes	9,425,453	3,720,449	-	-	9,425,453	3,720,449
Franchise taxes	1,610,520	1,723,625	-	-	1,610,520	1,723,625
Intergovernmental*	1,517,929	5,666,151	-	-	1,517,929	5,666,151
Miscellaneous	172,074	235,037	28,821	14,928	200,895	249,965
Unrestricted grants and contributions	-	-	-	-	-	-
Investment earnings	308,235	279,047	-	-	308,235	279,047
<b>Total revenues</b>	<b>20,231,028</b>	<b>18,136,272</b>	<b>1,309,985</b>	<b>1,014,980</b>	<b>21,541,013</b>	<b>19,151,252</b>
<b>Expenses</b>						
Administrative services	3,251,552	2,796,676	-	-	3,251,552	2,796,676
Highways and streets	2,348,343	2,149,105	-	-	2,348,343	2,149,105
Legal and judicial	311,860	302,373	-	-	311,860	302,373
Culture and recreation	2,357,123	2,101,299	-	-	2,357,123	2,101,299
Public safety	8,939,676	8,272,546	-	-	8,939,676	8,272,546
Economic development	732,123	591,620	-	-	732,123	591,620
Interest on long-term debt	919,492	947,885	-	-	919,492	947,885
Agent fees on long-term debt	14,550	12,714	-	-	14,550	12,714
Bond issuance costs	123,898	277,396	-	-	123,898	277,396
Sanitation	-	-	1,315,706	1,280,887	1,315,706	1,280,887
<b>Total expenses</b>	<b>18,998,617</b>	<b>17,451,614</b>	<b>1,315,706</b>	<b>1,280,887</b>	<b>20,314,323</b>	<b>18,732,501</b>
Increase in net position before transfers	1,232,411	684,658	(5,721)	(265,907)	1,226,690	418,751
Transfers	-	-	-	-	-	-
<b>Change in net position</b>	<b>1,232,411</b>	<b>684,658</b>	<b>(5,721)</b>	<b>(265,907)</b>	<b>1,226,690</b>	<b>418,751</b>
<b>Net position - January 1</b>	<b>52,065,941</b>	<b>47,246,610</b>	<b>1,994,993</b>	<b>2,260,900</b>	<b>54,060,934</b>	<b>49,507,510</b>
Prior period adjustment	-	4,134,673	-	-	-	4,134,673
<b>Net position - December 31</b>	<b>53,298,352</b>	<b>52,065,941</b>	<b>1,989,272</b>	<b>1,994,993</b>	<b>55,287,624</b>	<b>54,060,934</b>

**Governmental Activities**

Governmental activities increased the City's net position by \$1,232,411 for an ending balance of \$53,298,352. Governmental activities revenue increased by a \$2,094,756 (12 percent) from the previous year, while expenses increased by \$1,547,003 (9 percent).

**Business-type Activities.**

Business-type activities results for the current fiscal year decreased the City's overall net position by \$(5,721) to a total ending balance of \$1,989,272 for business type activities (sanitation). The decrease is the combined effect of reduced revenues/collections and increased expenses.

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**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 \$23,457,109, a decrease of 3 percent, in comparison, with the prior year. Approximately 17 percent 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 (\$0), 2) restricted for particular purposes (\$18,848,479), or 3) committed by the City Council for particular purposes (\$ 505,332).

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 \$4,103,298 and total fund balance was \$4,103,298. 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 30 percent of total general fund expenditures, while total fund balance represents approximately 30 percent of that same amount. The General Fund's fund balance decreased by \$(1,712,100) related to planned spending of the excess fund balance over the minimum required for reserves per Ordinance 438.

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 restricted fund balance of the Street Fund was \$4,704,153. The Street Fund balance increased by \$427,330 related to an increase in Street Fund revenues which was greater than the increase in expenses.

**General Fund Budgetary Highlights*****Original budget compared to final budget***

During the year, there were several amendments to the original budget in 2019.

- Resolution 2019-22 - the General Fund budget was increased by \$14,414 to increase salaries in Code Enforcement related to the retirement of the former director.
- Resolution 2019-26 - the General Fund budget was increased by \$9,943 for a grant match for Senior Services.
- Resolution 2019-27 - the General Fund budget was increased by \$174,040 to increase debt service payments related to the refinancing of the 2012 Revenue bonds.
- Resolution 2019-28 - The Street Fund budget was increased by \$128,139 to appropriate the matching funds received by the City of North Little Rock and Pulaski County for the Adaptive Traffic Signal project.
- Resolution 2019-29 - the General Fund budget was increased by \$20,000 to allow the finance department to reorganize its staffing.

***Final budget compared to actual results*****GENERAL FUND**

**Revenues**- General fund revenues came in lower than budgeted. The largest revenues under budget were Sales tax, parks and recreation fees, community development fees, & grants and donations.

**Expenditures** -Most divisions reflect being over budget with expenditures related to adjustments in accounting procedures for payroll accruals, but overall the general fund expenses were under budget a total of \$21,675 less than the amended budgeted expenditures.

**CAPITAL ASSETS**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$65,436,494 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 \$360,022.

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

- Increases in infrastructure for governmental activities totaling \$20,234,610
- Additions to governmental buildings totaling \$22,960
- Additions to governmental land of \$ 0
- Additions to governmental equipment totaling \$143,846
- Decreases to construction in progress totaling \$18,482,228

**City of Maumelle's Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 8,736,172	\$ 8,736,172	\$ -	\$ -	\$ 8,736,172	\$ 8,736,172
Building	35,931,898	35,931,898	250,381	227,421	36,182,279	36,159,319
Equipment	12,375,742	12,238,652	2,315,053	2,308,297	14,690,795	14,546,949
Infrastructure	35,684,847	15,450,237	-	-	35,684,847	15,450,237
Construction in progress	864,305	19,346,533	-	-	864,305	19,346,533
			\$			
Accumulated Depreciation	\$ (28,969,683)	\$ (26,893,119)	(1,752,221)	\$ (1,549,575)	(30,721,904)	(28,442,694)
Total	\$ 64,623,281	\$ 64,810,373	\$ 813,213	\$ 986,143	\$ 65,436,494	\$ 65,796,516

Additional information on the City's capital assets can be found on pages 31-32 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$30,385,000 . The Series 2019 bonds are revenue bonds totaling \$6,235,000 secured solely by franchise fee revenue. The Series 2015 bonds are limited tax general obligation bonds totaling \$10,875,000. The Series 2018 Bonds are Sales Tax bonds totaling \$13,275,000.

**City of Maumelle's Outstanding Debt**

	Beginning balance	Additions	Reductions	Ending balance	Current Portion
<b>Governmental Activities</b>					
Bonds:					
2012 Series	6,760,000	-	6,760,000	-	-
2015 Series	12,905,000	-	2,030,000	10,875,000	1,125,000
2018 Series	13,915,000	-	640,000	13,275,000	505,000
2019 Series	-	6,235,000	-	6,235,000	375,000
Plus Reoffering Premium	875,682	39,214	87,346	827,550	-
Less deferred issuance discounts	(48,204)	-	(2,817)	(45,387)	-
Total bonds payable	34,407,478	6,274,214	9,514,529	31,167,163	2,005,000

Total long-term bonds and notes payable outstanding at December 31, 2019 decreased by \$3,240,315. The decrease is related to the principal payments and savings related to the refinancing of the 2012 Bonds. 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 both population, economic development and revenues. The 2020 budget was approved with General Fund revenues showing an increase of 30%, some of which is related to grant revenue which was subsequently moved into a special revenue fund and a 1.5% revenue increase in the street fund. A \$2.3 million appropriation from the fund balance was required but is largely related to the grant match for the FEMA Drainage grant.

**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.

DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 8,877,572	\$ 931,530	\$ 9,809,102
Taxes receivable	6,422,244	-	6,422,244
Accounts receivable - net	246,629	352,527	599,156
Due from other funds	49,529	-	49,529
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	13,784,520	-	13,784,520
Property, plant & equipment - net			
Land	8,736,172	-	8,736,172
Buildings	21,128,571	150,495	21,279,066
Equipment	3,137,824	662,718	3,800,542
Infrastructure	30,756,409	-	30,756,409
Construction in progress	864,305	-	864,305
TOTAL ASSETS	94,003,775	2,097,270	96,101,045
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow - pensions	2,021,217	-	2,021,217
Deferred charge on refunding	238,692	-	238,692
TOTAL DEFERRED OUTFLOW OF RESOURCES	2,259,909	-	2,259,909
<b>LIABILITIES</b>			
Accounts payable	199,219	17,260	216,479
Payroll taxes payable	51,559	3,305	54,864
Other payroll withholdings payable	366,099	10,800	376,899
Other accrued payables	177,779	9,892	187,671
Accrued interest payable	268,807	-	268,807
Sales taxes payable	(1,075)	-	(1,075)
Unearned revenue	75,832	-	75,832
Payment in lieu	154,947	-	154,947
Due to other funds	-	48,532	48,532
Noncurrent liabilities:			
Due within one year	2,107,988	6,343	2,114,331
Due in more than one year	38,503,935	11,866	38,515,801
TOTAL LIABILITIES	41,905,090	107,998	42,013,088
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow - pensions	1,060,242	-	1,060,242
TOTAL DEFERRED INFLOWS OF RESOURCES	1,060,242	-	1,060,242
<b>NET POSITION</b>			
Net investment in capital assets	48,022,802	813,213	48,836,015
Restricted for:			
Municipal Court Automation	38,797	-	38,797
Special revenue funds - streets	4,704,153	-	4,704,153
Unrestricted	532,600	1,176,059	1,708,659
TOTAL NET POSITION	\$ 53,298,352	\$ 1,989,272	\$ 55,287,624

FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs Primary Government: Governmental Activities:	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
Administrative services	\$ 3,251,552	\$ 232	\$ 6,090	\$ 2,300	\$ (3,242,930)	\$ -	\$ (3,242,930)
Legal and judicial	311,860	113,974	-	-	(197,886)	-	(197,886)
Public safety	8,939,676	32,246	17,338	-	(8,890,092)	-	(8,890,092)
Highways and streets	2,348,343	786	9,144	450,422	(1,887,991)	-	(1,887,991)
Culture and recreation	2,357,123	497,563	-	39,771	(1,819,789)	-	(1,819,789)
Economic development	732,123	193,131	-	98,522	(440,470)	-	(440,470)
Interest on long-term debt	919,492	-	-	-	(919,492)	-	(919,492)
Agent fees on long-term debt	14,550	-	-	-	(14,550)	-	(14,550)
Bond Issuance Costs	123,898	-	-	-	(123,898)	-	(123,898)
Total governmental activities	18,998,617	837,932	32,572	591,015	(17,537,098)	-	(17,537,098)
Business-type activities:							
Sanitation	1,315,706	1,281,164	-	-	-	\$ (34,542)	\$ (34,542)
Total primary government	\$ 20,314,323	\$ 2,119,096	\$ 32,572	\$ 591,015	\$ (17,537,098)	\$ (34,542)	\$ (17,571,640)
General revenues:							
Taxes:							
Property taxes					5,735,298	-	5,735,298
Utility franchise fees					1,610,520	-	1,610,520
Sales taxes					9,425,453	-	9,425,453
Intergovernmental - unrestricted					271,338	-	271,338
Intergovernmental - restricted					1,246,591	-	1,246,591
Miscellaneous					168,304	28,821	197,125
Gain (loss) on sales of capital assets					5,820	-	5,820
Investment Earnings:							
Investment income					308,235	-	308,235
Transfers					(2,118)	-	(2,118)
Other revenue					68	-	68
Total general revenues and transfers					18,769,509	28,821	18,798,330
Change in net position					1,232,411	(5,721)	1,226,690
<b>NET POSITION - BEGINNING</b>					52,065,941	1,994,993	54,060,934
<b>NET POSITION - ENDING</b>					\$ 53,298,352	\$ 1,989,272	\$ 55,287,624

DECEMBER 31, 2019

	General	Street	Debt Service	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 5,738,215	\$ 2,728,816	\$ 11,736	\$ -	\$ 398,805	\$ 8,877,572
Funds held by trustee	-	-	3,638,355	10,146,165	-	13,784,520
Taxes receivable	2,801,927	697,726	2,777,259	-	145,332	6,422,244
Accounts receivable - net	187,465	59,164	-	-	-	246,629
Due from other funds	43,621	1,717,594	13,350	2,337	-	1,776,902
<b>TOTAL ASSETS</b>	<b>8,771,228</b>	<b>5,203,300</b>	<b>6,440,700</b>	<b>10,148,502</b>	<b>544,137</b>	<b>31,107,867</b>
<b>LIABILITIES</b>						
Accounts payable	195,148	4,063	-	-	8	199,219
Payroll taxes payable	48,623	2,936	-	-	-	51,559
Other payroll withholdings payable	354,794	11,305	-	-	-	366,099
Other accrued payables	168,277	8,427	-	-	-	176,704
Unearned Revenue-other	75,832	-	-	-	-	75,832
Payment in lieu	154,947	-	-	-	-	154,947
Due to other funds	1,797,761	(72,725)	2,337	-	-	1,727,373
<b>TOTAL LIABILITIES</b>	<b>2,795,382</b>	<b>(45,994)</b>	<b>2,337</b>	<b>-</b>	<b>8</b>	<b>2,751,733</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-Property tax	1,872,548	545,141	2,481,336	-	-	4,899,025
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,872,548</b>	<b>545,141</b>	<b>2,481,336</b>	<b>-</b>	<b>-</b>	<b>4,899,025</b>
<b>FUND BALANCES</b>						
Restricted	-	4,704,153	3,957,027	10,148,502	38,797	18,848,479
Committed	-	-	-	-	505,332	505,332
Unassigned	4,103,298	-	-	-	-	4,103,298
<b>TOTAL FUND BALANCES</b>	<b>4,103,298</b>	<b>4,704,153</b>	<b>3,957,027</b>	<b>10,148,502</b>	<b>544,129</b>	<b>23,457,109</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,771,228</b>	<b>\$ 5,203,300</b>	<b>\$ 6,440,700</b>	<b>\$ 10,148,502</b>	<b>\$ 544,137</b>	<b>\$ 31,107,867</b>

Total fund balances - governmental funds	\$ 23,457,109
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.	64,623,281
Net deferred inflows and outflows related to pensions	960,975
Long-term liabilities of, \$40,569,922 and related deferred charges on refunding of \$238,692 are not due and payable in the current year and therefore, are not reported in the governmental funds.	(40,373,231)
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.	(268,807)
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.	4,899,025
Net position of governmental activities	<u>\$ 53,298,352</u>

## CITY OF MAUMELLE, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Street	Debt Service	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Local tax assessments:						
Millage tax	\$ 2,116,265	\$ 598,221	\$ 2,722,926	\$ -	\$ -	\$ 5,437,412
Franchise fees	1,610,520	-	-	-	-	1,610,520
Sales Tax	7,904,111	-	1,376,010	-	145,332	9,425,453
Intergovernmental revenues	271,338	1,246,591	-	-	-	1,517,929
Public safety fees	50,909	-	-	-	-	50,909
Parks and recreation fees	497,518	-	-	-	-	497,518
Legal and Judicial fees	105,944	-	-	-	6,705	112,649
Community development	193,131	-	-	-	-	193,131
Investment income	20,528	24,086	55,177	208,444	-	308,235
Grants and donations	155,827	450,422	-	-	-	606,249
Other revenue	160,207	9,228	-	-	-	169,435
<b>TOTAL REVENUES</b>	<b>13,086,298</b>	<b>2,328,548</b>	<b>4,154,113</b>	<b>208,444</b>	<b>152,037</b>	<b>19,929,440</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Administrative services	2,066,775	-	-	-	-	2,066,775
Legal and judicial	309,907	-	-	-	2,591	312,498
Public safety	7,201,722	-	-	-	-	7,201,722
Highways and streets	742,294	771,009	-	-	-	1,513,303
Parks and recreation	2,240,326	-	-	-	-	2,240,326
Community and economic development	728,923	-	-	-	-	728,923
Debt service:						
Principal	-	-	9,432,561	-	-	9,432,561
Interest	-	-	1,067,436	-	-	1,067,436
Fees	-	-	6,550	8,000	-	14,550
Bond issuance costs	-	-	84,684	-	-	84,684
Capital outlay:						
Administrative services	38,412	-	-	191,455	-	229,867
Public safety	154,230	-	-	-	-	154,230
Public works and streets	106,892	1,130,209	-	416,987	-	1,654,088
Parks and recreation	152,014	-	-	-	-	152,014
<b>TOTAL EXPENDITURES</b>	<b>13,741,495</b>	<b>1,901,218</b>	<b>10,591,231</b>	<b>616,442</b>	<b>2,591</b>	<b>26,852,977</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(655,197)</b>	<b>427,330</b>	<b>(6,437,118)</b>	<b>(407,998)</b>	<b>149,446</b>	<b>(6,923,537)</b>
Other financing sources (uses):						
Issuance of debt	-	-	6,235,000	-	-	6,235,000
Transfers in	43,063	-	941,906	14,118	360,000	1,359,087
Transfers out	(1,105,786)	-	(48,233)	(207,186)	-	(1,361,205)
Sale of capital assets	5,820	-	-	-	-	5,820
<b>Total other financing sources (uses)</b>	<b>(1,056,903)</b>	<b>-</b>	<b>7,128,673</b>	<b>(193,068)</b>	<b>360,000</b>	<b>6,238,702</b>
Net change in fund balances	(1,712,100)	427,330	691,555	(601,066)	509,446	(684,835)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>5,815,398</b>	<b>4,276,823</b>	<b>3,265,472</b>	<b>10,749,568</b>	<b>34,683</b>	<b>24,141,944</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 4,103,298</b>	<b>\$ 4,704,153</b>	<b>\$ 3,957,027</b>	<b>\$ 10,148,502</b>	<b>\$ 544,129</b>	<b>\$ 23,457,109</b>

**CITY OF MAUMELLE, ARKANSAS****RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Net change in fund balances - total governmental funds	\$ (684,835)
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 asset additions recorded in the current period.	2,190,199
Depreciation expense on capital assets is reported in the statement of activities, but they do not require the use of current financial resources; therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(2,377,291)
Governmental funds report the total proceeds from the sale of capital assets and do not report a gain or loss. Only a gain or loss on the sale or disposal of assets is reported on the Statement of Activities.	
Proceeds from sale of capital assets	(5,820)
Gain/Loss on disposal of capital assets	<u>5,820</u>
Current year changes in long-term liabilities for compensated absences do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.	(26,795)
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.	(1,470,483)
Interest accrued on notes payable in governmental activities are not due and payable and therefore are not reported as expenditures in the governmental funds.	77,456
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.	9,430,000
The issuance of long-term debt and capital leases provide current financial resources to the governmental funds, but issuing debt and capital leases increase long-term liabilities in the statement of net position.	(6,274,214)
Bond discounts are reported as expenditures in governmental funds and amortized over the life of the debt in the Statement of Activities. Bond premiums are reported as revenue in the governmental funds and amortized over the life in the Statement of Activities. The purchase price in excess of face value of the Series 2005 and 2007 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	87,346
Amortization of discount - Series 2012 and 2013 bonds	<u>(2,817)</u>
	84,529
Amortization of purchase price in excess of face value of Series 2005 and 2007 Revenue bonds	(14,041)
Revenues that do not provide current financial resources, such as property taxes, are not reported as revenues for the funds but are reported as revenues in the statement of activities.	297,886
Change in net position of governmental activities	<u>\$ 1,232,411</u>

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

## CITY OF MAUMELLE, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL FUND				
	Original Budget	Revised Budget	Actual	Variance	
<b>REVENUES</b>					
Taxes	\$ 2,050,000	\$ 2,050,000	\$ 2,116,265	\$ 66,265	
Franchise fees	1,630,000	1,630,000	1,610,520	(19,480)	
Sales Tax	8,025,000	8,025,000	7,904,111	(120,889)	
Intergovernmental revenues	288,000	288,000	271,338	(16,662)	
Public safety fees	54,500	54,500	50,909	(3,591)	
Parks and recreation fees	570,000	570,020	497,518	(72,502)	
Legal and Judicial fees	127,700	127,700	105,944	(21,756)	
Community development	284,800	284,800	193,131	(91,669)	
Investment income	5,000	5,000	20,528	15,528	
Grants and donations	250,000	250,000	155,827	(94,173)	
Other revenue	141,800	141,800	160,207	18,407	
<b>TOTAL REVENUES</b>	<b>13,426,800</b>	<b>13,426,820</b>	<b>13,086,298</b>	<b>(340,522)</b>	
<b>EXPENDITURES</b>					
Operating expenditures:					
Administrative services	1,769,107	1,789,107	2,066,775	(277,668)	
Legal and judicial	330,531	331,571	309,907	21,664	
Public safety	7,192,843	7,228,440	7,201,722	26,718	
Highways and streets	779,942	779,542	742,294	37,248	
Parks and recreation	2,288,807	2,439,667	2,240,326	199,341	
Community and economic development	618,738	642,152	728,923	(86,771)	
<b>Total operating expenditures</b>	<b>12,979,968</b>	<b>13,210,479</b>	<b>13,289,947</b>	<b>(79,468)</b>	
Capital expenditures:					
Administrative services	38,600	38,600	38,412	188	
Public safety	258,600	268,245	154,230	114,015	
Public works and streets	151,600	152,546	106,892	45,654	
Parks and recreation	25,000	49,950	152,014	(102,064)	
<b>Total capital expenditures</b>	<b>473,800</b>	<b>509,341</b>	<b>451,548</b>	<b>57,793</b>	
<b>TOTAL EXPENDITURES</b>	<b>13,453,768</b>	<b>13,719,820</b>	<b>13,741,495</b>	<b>(21,675)</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(26,968)</b>	<b>(293,000)</b>	<b>(655,197)</b>	<b>(362,197)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	43,063	43,063	
Transfers out	(490,000)	(664,040)	(1,105,786)	(441,746)	
Sale of capital assets	-	-	5,820	5,820	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(490,000)</b>	<b>(664,040)</b>	<b>(1,056,903)</b>	<b>(392,863)</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (516,968)</b>	<b>\$ (957,040)</b>	<b>\$ (1,712,100)</b>	<b>\$ (755,060)</b>	
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>5,815,398</b>		
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 4,103,298</b>		

## CITY OF MAUMELLE, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

	STREET FUND			
	Original Budget	Revised Budget	Actual	Variance
<b>REVENUES</b>				
Taxes	\$ 560,000	\$ 560,000	\$ 598,221	\$ 38,221
Intergovernmental revenues	1,214,000	1,214,000	1,246,591	32,591
Investment income	16,000	16,000	24,086	8,086
Grants and donations	-	-	450,422	450,422
Other revenue	2,250	2,250	9,228	6,978
<b>TOTAL REVENUES</b>	<b>1,792,250</b>	<b>1,792,250</b>	<b>2,328,548</b>	<b>536,298</b>
<b>EXPENDITURES</b>				
Operating expenditures:				
Highways and streets	1,025,180	1,034,853	771,009	263,844
Capital expenditures:				
Public safety	31,600	31,600	-	31,600
Public works and streets	761,350	1,501,632	1,130,209	371,423
Parks and recreation	25,000	49,250	-	49,250
<b>TOTAL EXPENDITURES</b>	<b>1,843,130</b>	<b>2,617,335</b>	<b>1,901,218</b>	<b>716,117</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(50,880)</b>	<b>(825,085)</b>	<b>427,330</b>	<b>1,252,415</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,880	50,880	-	(50,880)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>50,880</b>	<b>50,880</b>	<b>-</b>	<b>(50,880)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (774,205)</b>	<b>427,330</b>	<b>\$ 1,201,535</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>				<b>4,276,823</b>
<b>FUND BALANCE - END OF YEAR</b>				<b>\$ 4,704,153</b>

DECEMBER 31, 2019

Business-type Activities
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Sanitation

**ASSETS**

Current assets:	
Cash	\$ 931,530
Accounts receivable - net	352,527
Total current assets	<u>1,284,057</u>
Noncurrent assets:	
Buildings, net of accumulated depreciation	150,495
Equipment, net of accumulated depreciation	662,718
Total noncurrent assets	<u>813,213</u>
<b>TOTAL ASSETS</b>	<b><u>2,097,270</u></b>

**LIABILITIES**

Current liabilities:	
Accounts payable	17,260
Due to other funds	48,532
Payroll taxes payable	3,305
Other payroll withholdings payable	10,800
Accrued salaries	9,892
Compensated absences	18,209
Total current liabilities	<u>107,998</u>
Noncurrent liabilities:	
Total noncurrent liabilities	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>107,998</u></b>

**NET POSITION**

Net investment in capital assets	813,213
Unrestricted	1,176,059
<b>TOTAL NET POSITION</b>	<b><u>\$ 1,989,272</u></b>

## CITY OF MAUMELLE, ARKANSAS

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION/EQUITY - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities
Sanitation	
<b>OPERATING REVENUES</b>	
Charges for sales and services:	
Charges for sanitation services	\$ 1,309,985
TOTAL OPERATING REVENUES	<u>1,309,985</u>
<b>OPERATING EXPENSES</b>	
Personnel	556,414
Operating supplies	556,646
Depreciation	<u>202,646</u>
TOTAL OPERATING EXPENSES	<u>1,315,706</u>
CHANGE IN NET POSITION	(5,721)
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<u>1,994,993</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 1,989,272</u>

	Business-type Activities
	Sanitation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,275,866
Payments to suppliers	(947,320)
Payments to employees	(284,469)
Net cash provided by (used in) operating activities	<u>44,077</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of capital assets	-
Purchases of capital assets	(29,716)
Net cash provided by (used in) capital and related financing activities	<u>(29,716)</u>
Net increase (decrease) in cash and cash equivalents	14,361
Cash and cash equivalents, January 1, 2019	<u>917,169</u>
Cash and cash equivalents, December 31, 2018	<u>931,530</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Operating income	(5,721)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	202,646
Change in accounts receivable	8,636
Change in accounts payable	(193,238)
Change in payroll tax payable	13,609
Change in accrued salaries	9,892
Change in accrued expenses	6,109
Change in compensated absence payable	2,434
Change in sales taxes payable	(290)
Change in due to other funds	-
Total adjustments	<u>49,798</u>
Net cash provided by (used in) operating activities	<u>\$ 44,077</u>

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DECEMBER 31, 2019

	Fines	
	Custodial	
	Agency Fund	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 28,885	
<b>TOTAL ASSETS</b>	<hr/> 28,885	
<b>LIABILITIES</b>		
Amounts due to other parties	28,885	
<b>TOTAL LIABILITIES</b>	<hr/> \$ 28,885	

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary 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.

**B. Reporting entity**

The City of Maumelle, Arkansas, (the "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; parks and recreation; district court; public works and streets; and general administrative services.

**Related Organizations.** The Maumelle Public Facilities Board (the "Facilities Board") is considered a related organization based upon the criteria in GASB Statement No. 14. The Facilities Board is a separate legal entity from the City. Pursuant to Arkansas Code Annotated (A. C. A.) §14-137-108, the City appoints a voting majority of the Facilities Board members. However, the City is not able to impose its will upon the Facilities Board nor does a financial benefit/burden relationship exist between them. Therefore, the financial statements of the City do not include the financial information of any related organizations.

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

**C. Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****D. 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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.

*Special Revenue Funds* – The Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, which are legally restricted to expenditures for specified purposes.

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

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

*Capital Projects Funds* – 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.

The City reports the following major proprietary funds:

*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 fund types:

*Fines Custodial Fund* – The Fines Custodial Fund is an Agency 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 (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type 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.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. 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 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 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements have no measurement focus, as is the case with all agency funds but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**F. 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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Formal budgetary information is employed as a management control device during the year. Budgets for the General and Special Revenue – Street Funds 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.

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance*****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***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "due from."

***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 balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The construction accounts in the Capital Improvement Fund are used to report those proceeds of bond issuances that are

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 twelve 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. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

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 fair value of the item at the date of its donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest expense was incurred by the City during the current fiscal year for construction of capital assets of business-type activities.

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:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	5-30
Equipment	3-10
Infrastructure	40

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item,

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, sales taxes, franchise taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***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.

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. A formal policy has not been adopted by the City Council as of the date of this report.
- *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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- *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. A formal policy has not been adopted by the City Council as of the date of this report.

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 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 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, and then it would need to pass an ordinance to amend or repeal Ordinance No. 438.

**H. Revenues and expenditures/expenses*****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<sup>st</sup>, on property values assessed, as of January 1<sup>st</sup>. 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<sup>th</sup>. 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 of up to twice their annual accrual rate. Upon termination, any accumulated unused vacation time will be paid to the employee. City employees are allowed to accumulate unused sick leave up to a maximum of 1,040 hours. Any accumulated unused sick leave is paid upon employee retirement from service with the City. Historically, 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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****Proprietary funds operating and non-operating revenues and expenses***

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

**I. Other significant accounting policies*****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 and liabilities 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's 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.

**NOTE 2: CASH AND CASH EQUIVALENTS**

As of December 31, 2019, the carrying amount of the City's deposits was \$23,622,507 and the bank balance was \$21,396,850. Of the bank balance, \$8,472,376 was covered by Federal depository insurance or by collateral held by the City's agent in the City's name, and \$11,393,622 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	\$ 23,620,632
Cash on hand	1,875
	<u>\$ 23,622,507</u>
Unrestricted cash, as reported on the statement of net position	\$ 9,809,102
Restricted cash and cash equivalents, as reported on the statement of net position	13,784,520
Restricted cash, as reported on the statement of fiduciary net position	28,885
Total cash and cash equivalents	<u>\$ 23,622,507</u>

**NOTE 3: ACCOUNTS RECEIVABLE**

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

Accounts receivable at December 31, 2019, is as follows:

	General Fund	Street Fund	Debt Service Fund	Other Governmental	Sanitation Fund
Taxes receivable	\$ 2,801,927	\$ 697,726	\$ 2,777,259	\$ 145,332	\$ -
Trade receivables	294,567	1,562	-	-	656,400
Other receivables	46,465	57,602	-	-	3,523
Gross receivables	3,142,959	756,890	2,777,259	-	659,923
Allowance for doubtful accounts	(153,567)	-	-	-	(307,396)
Net total receivables	<u>\$ 2,989,392</u>	<u>\$ 756,890</u>	<u>\$ 2,777,259</u>	<u>\$ 145,332</u>	<u>\$ 352,527</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 \$5,430,937 has been recognized in the government-wide financial statements, while a receivable of \$5,285,605 and a related unavailable revenue from property taxes of \$4,899,025 have been recognized in the governmental fund statements.

Millage rates for 2019 taxes collectible in 2020 were 5.00 for the General Fund, 6.6 for Bond Indebtedness and 1.45 for the Street Fund.

**NOTE 4: CAPITAL ASSETS**

Net capital asset activity for the year ended December 31, 2019, was as follows:

<b>PRIMARY GOVERNMENT</b> <b>Governmental activities:</b>	<b>Beginning</b>				<b>Ending</b>
	<b>Balance</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Balance</b>
Capital assets, not being depreciated:					
Land	\$ 8,736,172	\$ -	\$ -	\$ -	\$ 8,736,172
Construction in progress	19,346,533	531,526	(19,013,754)	-	\$ 864,305
Total capital assets, not being depreciated	28,082,705	531,526	(19,013,754)	-	\$ 9,600,477
Capital assets, being depreciated:					
Buildings	35,931,898	-	-	-	\$ 35,931,898
Equipment	12,238,652	428,693	9,124	(300,727)	\$ 12,375,742
Infrastructure	15,450,237	1,229,980	19,004,630	-	\$ 35,684,847
Total capital assets being depreciated	63,620,787	1,658,673	19,013,754	(300,727)	\$ 83,992,487
Less accumulated depreciation for:					
Buildings	13,682,378	1,120,949	-	-	\$ 14,803,327
Equipment	9,010,488	528,157	-	(300,727)	\$ 9,237,918
Infrastructure	4,200,253	728,185	-	-	\$ 4,928,438
Total accumulated depreciation	26,893,119	2,377,291	-	(300,727)	\$ 28,969,683
Total capital assets being depreciated, net	36,727,668	(718,618)	19,013,754	-	\$ 55,022,804
Governmental activities capital assets, net	\$ 64,810,373	\$ (187,092)	\$ -	\$ -	\$ 64,623,281

<b>Business-type activities:</b>	<b>Beginning</b>			<b>Ending</b>
	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	\$ -	-	-	\$ -
Capital assets, being depreciated:				
Buildings	227,421	22,960	-	250,381
Equipment	2,308,297	6,756	-	2,315,053
Total capital assets being depreciated	2,535,718	29,716	-	2,565,434
Less accumulated depreciation for:				
Buildings	90,868	9,018	-	99,886
Equipment	1,458,707	193,628	-	1,652,335
Total accumulated depreciation	1,549,575	202,646	-	1,752,221
Total capital assets being depreciated, net	986,143	(172,930)	-	813,213
Business-type activities capital assets, net	\$ 986,143	\$ (172,930)	\$ -	\$ 813,213

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:	
Administrative Services	\$ 1,159,835
Public Safety	273,172
Public Works and Streets	836,915
Parks and Recreation	107,369
Total depreciation expense governmental activities	<u>\$ 2,377,291</u>
Business-type Activities:	
Sanitation	\$ 202,646
Total depreciation expense business-type activities	<u>\$ 202,646</u>

**NOTE 5: PENSION OBLIGATIONS**

***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 non-uniformed 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. A separate, audited GAAP-basis post-employment benefit plan report is not available for this plan. You may obtain information about this plan from TIAA- CREF at 1-800-842-2252.

***Funding Policy:*** Plan members are required to contribute up to 2 percent of their annual covered salary. The City will contribute up to 6 percent 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:

Years Vested	Vesting Percentage
0-1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

***Annual Pension Cost.*** For the year ended December 31, 2019, the City's annual pension cost of \$114,558 for the City Pension Plan was equal to the City's required and actual contributions.

***Three-Year Trend Information for the City Pension Plan.***

YEAR ENDING	EMPLOYEE	EMPLOYER	TOTAL
December 31, 2016	66,579	129,803	196,382
December 31, 2017	70,426	109,129	179,555
December 31, 2018	67,459	114,558	182,017
	<u>\$ 204,464</u>	<u>\$ 353,490</u>	<u>\$ 557,954</u>

YEAR ENDING	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED
December 31, 2016	129,803	100%
December 31, 2017	109,129	100%
December 31, 2018	114,558	100%

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

**Arkansas Local Police and Fire Retirement System (LOPFI): Plan Description:** The City participates in the 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. The 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:

- a. For each year of paid service resulting from employment in a position not also covered by social security, 2.94% of his or her final average pay (2.7% for those with retirement date prior to July 1, 2009; plus
- b. For each year of paid service resulting from employment in a position also covered by social security, 1.94% or his or her final average pay (1.7% for those with retirement date prior to July 1, 2009). 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.
- c. In no event will the total of a. plus b. exceed, at the time of retirement, 100% of such final average pay; plus
- d. Effective July 1, 2016, for each year of volunteer service, \$6.41 per month, to a maximum of \$256.40 monthly.
- e. 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, 3.28% 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, 2.94% of his or her final average pay. 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.

**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: 2.5% of gross pay beginning July 1 2009; no employee contributions prior to that date
- c. Paid service-benefit program 2: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- d. Volunteer service: no employee contribution

The employee 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.

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

For the year ended December 31, 2019, the contribution rate percentages were as follows:

LOPFI Maximum	EMPLOYEE	EMPLOYER	TOTAL
Fire	8.50%	23.18%	31.68%
Police	8.50%	20.19%	28.69%

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* As of December 31, 2019, the City reported net pension liability for their proportionate share of the net pension liability of each plan as follows:

Maumelle Fire	\$ 4,638,086
Maumelle Police	3,740,346
Maumelle Volunteer	61,415
<b>Total net pension liability</b>	<b>\$ 8,439,847</b>

To facilitate the separate actuarial valuations, the System 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, 2019, 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, 2019. 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:

Plan	Proportionate share %
Maumelle Fire	0.600210%
Maumelle Police	0.484040%
Maumelle Volunteer Fire	0.146230%

For the year ended December 31, 2019, the City recognized LOPFI expense of \$2,383,283. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences Between Expected and Actual Experience	\$ 824,842	\$ 209
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	1,018,080
Changes of Assumptions	726,313	-
Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	468,866	19,560
<b>Total</b>	<b>\$ 2,020,021</b>	<b>\$ 1,037,849</b>

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

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

	Year Ended December 31				
	2020	2021	2022	2023	Total
Maumelle Fire	\$ 519,291	\$ 234,849	\$ 106,851	\$(248,646)	\$ 612,345
Maumelle Police	366,155	154,484	72,427	(200,519)	392,547
Maumelle Volunteer	(9,979)	(6,767)	(3,256)	(2,718)	(22,720)

*Actuarial Assumptions:* The total pension liability as of December 31, 2019, was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions:

Paid Service Assumptions	
Wage Inflation Rate	3.25%
Price Inflation	2.50%
Salary Increases	3.25%, including inflation
Investment Rate of Return	7.50%
Actuarial cost method	Entry age
Asset valuation method	Smoothed market value

Volunteer Service Assumptions	
Inflation	2.50%
Investment Rate of Return	7.50%
Actuarial cost method	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor

Mortality rates were based on the RP-2014 Healthy Annuitant benefit weighted generation mortality tables for males and females. The death-in-service mortality tables used were the RP-2014 Employee benefit weighted generational mortality tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

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, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
Fixed Income	30.00%	1.30%	0.39%
Domestic Equity	42.00%	5.40%	2.27%
Foreign Equity	18.00%	7.80%	1.40%
Alternative Investments	10.00%	6.70%	0.67%
<b>Total</b>	<b>100.00%</b>		<b>4.73%</b>
Expected Inflation			2.50%
<b>Total Return</b>			<b>7.50%</b>

The figures in the above table were from the 5-year experience study ending December 31, 2016.

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

*Discount rate:* A single discount rate of 7.00% 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 7.00%. 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 7.00%, 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 (6.00%) or one percent higher (8.00%).

	1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
Maumelle Fire	\$ 7,390,248	\$ 4,638,086	\$ 2,418,691
Maumelle Police	5,959,805	3,740,346	1,950,533
Maumelle Volunteer	95,321	61,415	34,400

*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 the 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 is 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 5 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 1 month for each 2 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 5 years of service or any age with 25 years of service. The reduction is equal to  $\frac{1}{2}$  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 5 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 1 month for each 2 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 5 years of service or any age with 25 years of service. The reduction is equal to  $\frac{1}{2}$  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). Member contributions are refundable if APERS-covered employment terminates before a monthly benefit is payable. Members will earn

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

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, 2019, the City reported net pension liability for their proportionate share of \$46,803. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2019, the City proportion was 0.0019 percent.

For the year ended December 31, 2019, the City recognized pension expense of \$5,833. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,274	\$ 70
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	355
Changes of Assumptions	2,540	1,799
Changes in Proportion and Differences between employer contributions and share of contributions	3	20,169
Subsequent Contributions *	(2,621)	-
<b>Total</b>	<b>\$ 1,196</b>	<b>\$ 22,393</b>

\*Contributions made subsequent to actuarial measurement date of June 30, 2019

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

	<u>Year Ending June 30</u>
2020	\$ (7,591)
2021	(8,944)
2022	(2,430)
2023	389
2024	-
Thereafter	-

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

*Actuarial assumptions:* The total pension liability in the June 30, 2019 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 (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	25 years (9.6 years for District Judges New Plan/Paid Off Old Plan and 19 years for District Judges Still Paying Old Plan)
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 (3.25% to 6.96% including inflation for District Judges)

Mortality rates were based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. The disability post-retirement 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-2018.

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, 2019, these best estimates are summarized in the following table:

Asset Classes	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.20%
International Equity	24%	6.33%
Real Assets	16%	3.32%
Absolute Return	5%	3.56%
Domestic Fixed	18%	1.54%
Total	100%	

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

**Discount Rate:** A single discount rate of 7.15% 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 7.15%. 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 7.15%, 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:

	1% Lower 6.15%	Discount Rate 7.15%	1 % Higher 8.15%
City's proportionate share of the net pension liability	\$ 75,013	\$ 46,803	\$ 23,528

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

**Covered payroll.** Total payroll and payroll covered by the above pensions are as follows for the year ended December 31, 2019:

Gross Payroll	8,081,255
Non-uniformed pension wages	4,240,223
APERS pension wages	30,477
LOPFI pension wages	4,166,501
Mayor	88,100

**City Clerk Retirement.** A.C.A. §24-12-121 provides for a retirement for any City Clerk who has served for not less than ten years upon reaching the age of sixty or has served as City Clerk for twenty years without regard to age. 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. The ratio of unfunded actuarial accrued liability to annual covered payroll is 911%. The annual benefit costs are \$21,000 each year.

The former City Clerk retired in December 2005 after twenty years of service. The City contracted with an independent actuarial firm to perform a calculation to determine the annual required contribution (ARC) and the net pension obligation (NPO). An interest rate of 3.5 percent was assumed and the 2019 Optional Table Small Plans (Male and Female) was used to calculate the present value of \$588,211 for this benefit. The calculation of the NPO is the accumulated difference between the ARC and the actual contributions for the years beginning between the initial employment date of the City Clerk, December 15, 1986, and the effective date of GASB Statement 27, July 15, 1997. The NPO at December 31, 2019 is \$378,000, an increase of \$45,000 from 2018. The two preceding years of NPO are \$296,000 for 2016 and \$262,000 for 2015.

The calculation of the ARC is covered in Paragraph 10 of GASB 27 and is the sum of the Normal Cost plus amortization of the Unfunded Actuarial Liability. For the calculation, it is assumed that the current City Clerk will remain in the position long enough to receive pension benefits (20 years); therefore, the Normal Cost is the present value of the benefit accruing in the year, and the Actuarial Liability is the present value of the retirement benefit and the "accrued benefit" of the current City Clerk. Assuming that this is a separate plan that has only been funded enough to cover benefits paid out for the year and benefits accrued, the Unfunded Actuarial Liability is equal to the present value of the benefit. Amortizing the UAL over 20

**NOTE 5: PENSION OBLIGATIONS (CONTINUED)**

years gives an annual ARC of \$83,000. The ARC for 2016 was \$67,000 and 2018 was \$72,000. The ARC should not be less than the amount of the annual benefit as required by A.C.A. §24-12-121. On the statement of net position, the City has recorded \$564,211 as a noncurrent liability due in more than one year. The actuarial method used for valuing assets of the plan is the projected unit credit – “as accrued” actuarial cost method applied on a level dollar basis, using a 20-year remaining amortization period.

**NOTE 6: CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The City has entered the design and construction phase for several projects that were approved to be paid with the Series 2015 bonds. At year end the government's commitments with contractors are as follows:

Project	Spent to date	Remaining Commitment
City Hall Remodel	191,455	2,624,958

*Encumbrances*

As discussed in Note 1. F., 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 were as follows:

General fund	\$ 67,380
Street fund	452,012
Sanitation fund	16,143
Total	<u>\$ 535,535</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 (the “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 ending December 31, 2019.

**NOTE 8: LEASE OBLIGATIONS***Capital lease*

The City entered into a lease agreement as lessee for financing the acquisition of police vehicles from Enterprise. These leases are 12 month leases in which the vehicle is returned at the end of each year. This year, \$26,384 was included in vehicle rental expense. This lease agreement does not qualify as a capital lease for accounting purposes.

**NOTE 9: SHORT-TERM DEBT**

The City does not have any short-term debt outstanding as of December 31, 2019.

**NOTE 10: LONG-TERM LIABILITIES**

**Changes in long-term liabilities:** Long-term liability activity for the year ended December 31, 2019, 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:					
2012 Series	6,760,000	-	6,760,000	-	-
2015 Series	12,905,000	-	2,030,000	10,875,000	1,125,000
2018 Series	13,915,000	-	640,000	13,275,000	505,000
2019 Series	-	6,235,000	-	6,235,000	375,000
Plus Reoffering Premium	875,682	39,214	87,346	827,550	-
Less deferred issuance discounts	(48,204)	-	(2,817)	(45,387)	-
Total bonds payable	34,407,478	6,274,214	9,514,529	31,167,163	2,005,000
Elected Official pension	564,211	-	-	564,211	61,817
Compensated Absences	325,104	26,795	-	351,899	41,171
Net Pension Liability	9,620,798	-	1,134,148	8,486,650	-
<b>Total governmental activity</b>	<b>44,917,591</b>	<b>6,301,009</b>	<b>10,648,677</b>	<b>40,569,923</b>	<b>2,107,988</b>
<b>Business-type activities</b>					
Compensated absences	15,775	2,434	-	18,209	6,343
<b>Total business-type activity</b>	<b>15,775</b>	<b>2,434</b>	<b>-</b>	<b>18,209</b>	<b>6,343</b>

The liability for the City Clerk pension and governmental activities compensated absences are fully liquidated by the General Fund. The liability for business activities compensated absences are fully liquidated by enterprise fund (sanitation fund). The 2019 results for the City Clerk pension have Cost of Living adjustments (COLAs) and one active participant is assumed to have been married for 10 years and the spouse is eligible for their retirement at his/her death and this calculation increased the estimated liability.

**General obligation bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 20 years.

**Series 2015**

This Bond is one of an issue of City of Maumelle, Arkansas, Limited Tax Capital Improvement and Refunding Bonds, Series 2015, aggregating \$18,845,000 in principal amount, issued for the purposes of (i) refunding the City's outstanding Capital Improvement Bonds, Series 2013 and the City's outstanding Capital Improvement Bonds, Series 2014; (ii) providing for the payment of a portion of the costs of various capital improvements including the following: (a) to design, engineer, improve, construct and equip the Maumelle City Hall and related improvements, (b) to design, engineer, improve, construct and equip the Maumelle Senior Wellness Facility and related improvements, and (c) to design, engineer, construct, acquire, equip and improve athletic fields for T-ball and softball and related improvements (collectively, the "Series 2015 Projects"), and (iii) to pay the costs and expenses of issuing the Bonds authorized pursuant to Emergency Ordinance No. 869 of the City adopted on January 20, 2015.

## NOTE 10: LONG-TERM LIABILITIES (CONTINUED)

<u>Series</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
2015	Governmental Activities	2.00 – 4.00%	\$ 18,845,000
Maturity (March 1)	Principal Amount(\$)	Interest Rate (%)	Interest Amount
2020	1,125,000.00	3.000%	376,295.00
2021	1,160,000.00	3.638%	338,320.00
2022	1,205,000.00	4.000%	293,120.00
2023	1,255,000.00	4.000%	243,920.00
2024	1,300,000.00	3.000%	199,320.00
2025	1,340,000.00	3.000%	159,720.00
2026	1,380,000.00	2.600%	121,680.00
2027	1,415,000.00	2.600%	85,345.00
2028	695,000.00	2.600%	18,070.00
2029	-		
<b>Total</b>	<b>\$ 10,875,000.00</b>	<b>- \$</b>	<b>1,835,790.00</b>

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

The City also 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.

<u>Series</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
2018	Public Safety Activities	2.00 – 4.00%	\$ 13,915,000
Maturity (August 1)	Principal Amount(\$)	Interest Rate (%)	Interest Amount
2020	505,000.00	3.000%	469,731.00
2021	520,000.00	3.000%	454,582.00
2022	535,000.00	4.000%	438,981.00
2023	555,000.00	4.000%	417,581.00
2024	575,000.00	4.000%	395,381.00
2025	600,000.00	4.000%	372,382.00
2026	625,000.00	4.000%	348,381.00
2027	650,000.00	4.000%	323,381.00
2028	675,000.00	4.000%	297,381.00
2029	700,000.00	4.000%	270,381.00

DECEMBER 31, 2019

2030	730,000.00	4.000%	242,381.00
2031	760,000.00	3.000%	213,181.00
2032	785,000.00	3.125%	190,381.00
2033	805,000.00	3.125%	165,850.00
2034	830,000.00	3.375%	140,694.00
2035	860,000.00	3.375%	112,681.00
2036	890,000.00	3.375%	83,656.00
2037	920,000.00	2.875%	53,619.00
2038	755,000.00	2.875%	21,706.00
<b>Total</b>	<b>\$ 13,275,000.00</b>	- \$	<b>5,012,311.00</b>

**Revenue Bonds****Series 2012 & 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 right-of-ways. 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. The net carrying value for the Series 2012 revenue bonds was \$6,274,214. The cost of refunding the debt was \$6,628,736. The difference between the net carrying value of the refunded debt and cost of the refunding bonds was \$354,422. The economic gain from this transaction is \$1,450,150. Revenue bonds outstanding at year end are as follows:

<u>Series</u> 2019	<u>Purpose</u> Governmental Activities	<u>Interest Rate</u> 2.125 – 3.00%	<u>Amount</u> \$ 6,235,000
-----------------------	---	---------------------------------------	-------------------------------

Revenue bond debt service requirements to maturity are as follows:

Series 2019 Revenue Bonds			
Maturity (November 1)	Principal Amount (\$)	Interest Rate (%)	Interest Amount (\$)
2020	375,000.00	3.00	111,045.50
2021	380,000.00	3.00	114,605.00
2022	395,000.00	3.00	118,505.00
2023	405,000.00	3.00	122,355.00
2024	420,000.00	3.00	126,205.00
2025	430,000.00	2.13	130,605.00
2026	440,000.00	2.25	135,467.50
2027	455,000.00	2.25	140,567.50
2028	460,000.00	2.25	145,330.00
2029	470,000.00	2.40	151,980.00
2030	480,000.00	2.50	158,700.00
2031	495,000.00	2.50	165,700.00
2032	505,000.00	2.75	173,250.00
2033	525,000.00	2.75	181,437.50
<b>Total</b>	<b>\$ 6,235,000.00</b>		<b>\$ 1,254,528.00</b>

**NOTE 10: LONG-TERM LIABILITIES (CONTINUED)**

**Legal Debt Margin.** Under Amendment 62 of the Arkansas State Constitution, the City's outstanding general obligation debt should not exceed 20 percent of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2019, the legal debt limit for the city was \$86,001,882. The city has general obligation debt outstanding at the end of 2019 of \$30,385,000 less funds available for retirement of \$3,638,355, leaving a legal debt margin of \$59,255,237.

**NOTE 11: FUND BALANCE AND NET POSITION*****Minimum Fund Balance policy***

The City of Maumelle formally adopted Ordinance No. 438 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 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, and then it would need to pass an ordinance to amend or repeal Ordinance No. 438. At the end of 2019, the City's unassigned fund balance is \$4,103,298 and the 20% of 2019 budgeted operating expenditures is \$2,642,096. We have exceeded the minimum balance for 2019 by 55%.

***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 did not have any prepaid items to report as of December 31, 2019:
- ***Restricted*** - represents amounts restricted to specific purposes by external parties, constitutional provision or enabling legislation. Below describes the amounts in restricted for 2019:

*Street Fund* is a special revenue fund derived from taxes earmarked specifically for street expenditures – \$4,704,153.

*Debt Service Fund* used to account for the accumulation of resources for the payment of long-term debt principal, interest, and related cost - \$3,957,027

*Capital Projects Fund* is used to account for major capital acquisitions and construction projects, other than those financed by proprietary funds - \$10,148,502

*District Court automation fund* is used to account for funds to used solely for district court-related technology - \$38,797

- ***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.

*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 restricted as of December 31, 2019 is \$360,000.

*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 restricted as of December 31, 2019 is \$145,332.

- *Assigned* – represents amounts for the general fund, that are constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. For all governmental funds other than general fund, any remaining positive amounts not classified as nonspendable, restricted or committed. The City of Maumelle's mayor has the authority to make assignments of fund balances for specific purposes except those restricted by law. Encumbrances for the City of Maumelle are classified as assigned. The total for the General fund, for 2019, is \$0.00.

#### NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

***Interfund receivable and payable balances.*** Interfund receivables and payables in the sanitation and fines custodial funds are the result of payments made by the General Fund on behalf of those funds for payroll and miscellaneous expenditures. Interfund receivables and payables can also result from debt payments funded through fees collected and received in a fund other than the debt service fund from which debt payments are made. Interfund receivable and payable balances as of December 31, 2019, are as follows:

DUE TO	DUE FROM					Total
	General Fund	Street Fund	Fines Custodial	Sanitation Fund	Debt Service	
General Fund	\$ -	\$ 36,515	\$ 997	\$ 6,109	\$ -	43,621
Street Fund	1,717,594	-	-	-	-	1,717,594
Fines Custodial	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	2,337	2,337
Sanitation Fund	-	13,350	-	-	-	13,350
<b>Total</b>	<b>\$ 1,717,594</b>	<b>\$ 36,515</b>	<b>\$ 997</b>	<b>\$ 6,109</b>	<b>\$ 2,337</b>	<b>\$ 1,763,552</b>

#### 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 reclassify prior year revenues recorded in the wrong fund. Interfund transfers for the year ended December 31, 2019, consisted of the following transactions:

TRANSFER OUT	Governmental Funds					Enterprise Fund	
	General Fund	Debt Service Fund	Capital Projects Fund	Street Fund	Capital Improv. Fund	Sanitation Fund	Total
	General Fund	\$ - \$	\$ 941,906	\$ - \$	\$ 360,000	\$ - \$	\$ 1,301,906
Street Fund	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Courts Fines	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Capital Projects Fund	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Debt Service Fund	\$ 43,063	\$ - \$	\$ 14,118	\$ - \$	\$ - \$	\$ - \$	\$ 57,181
<b>Total</b>	<b>\$ 43,063</b>	<b>\$ 941,906</b>	<b>\$ 14,118</b>	<b>\$ 360,000</b>			<b>\$ 1,359,087</b>

District Court Fines Custodial Fund					
	Balance			Balance	
	January 1, 2019	Additions	Deletions	December 31, 2019	
<b>ASSETS</b>					
Cash	\$ 17,584	\$ 277,477	\$ 266,176	\$ 28,885	
<hr/>					
<b>LIABILITIES</b>					
Due to other parties	<u>\$ 17,584</u>	<u>\$ 269,338</u>	<u>\$ 258,037</u>	<u>\$ 28,885</u>	

## CITY OF MAUMELLE, ARKANSAS

## SUPPLEMENTAL SCHEDULE OF FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor/Pass-Through Entity/Program/Purpose	Grant Identification Number(s)	Current Year Revenue	Current Year Expenditures
<b>FEDERAL</b>			
U.S. Dept. of Transportation - Federal Highway Commission Arkansas State Highway & Transportation Dept. Highway Planning & Construction: Federal-Aid Highway Program Federal funding for the desing of new I-40 interchange	HPP2-STPU-3745(1) Job #061190	\$ 21,399	\$ 21,399
U.S. Dept of Transportation - Transportation Alternative Program Arkansas State Highway & Transportation Dept. Transportation Improvement Program: Central AR Transportation Study Hwy 100 & Hwy 365 Traffic Operations lmrpovements	FAP No. M23E-9468-007 Job #061469	140,027	140,027
U.S. Dept of Justice - Edward Byrne Memorial Justice Assistance Grant AR Departmnt of Finance & Administration LLEEG Program Computer Equipment	CFDA No 16.738 Subgrant No. 19-895-16L	2,300	2,300
U.S. Dept of Transportation - Transportation Alternative Program Arkansas State Highway & Transportation Dept. Transportation Improvement Program: Central AR Transportation Study Construction of sidewalks and trails connection subdivisions and schools on Edgewood Drive	FAP No. TAPU-9468(8) Job#061545	157,000	157,000
U.S. Department of Homeland Security - FEMA Public Assistance Program Arkansas Division of Emergency Managment Arkansas severe storms and flooding from damages incurred between May and June 2019	CFDA No 97.036 FEMA-4441-DR-AR Project # 104157	9,143	9,413
U.S. Environmental Protection Agency - Regional Wetland Program Development Grants - Region 6 White Oak Bayou Wetland Protection - Mitigation Program Development	CFDA No 66.461 Grant No. CD-01F39301-0	98,522	98,522
U.S. Department of Transportation - Federal Transit Administration Arkansas Department of Transporation ArDOT Section 5010 - Enhanced Mobility of Seniors and Individuals with Disabilities Program Provided assistance with the purchase of a vehicle to meet the transportation needs of dependent individuals	CFDA No. 20.513 Grant No. AR-16-X-014 Vehicle FTA No. 3958	39,771	39,771
<b>TOTAL FEDERAL</b>		<b>468,162</b>	<b>468,432</b>
<b>STATE</b>			
Arkansas Department of Emergency Management State Fire Protection Services Program State funding for improvements within Maumelle Fire Department	Act 833 of 1991 NFIRS ID #60301	\$ 17,539	\$ 17,539
<b>TOTAL STATE</b>		<b>\$ 17,539</b>	<b>\$ 17,539</b>
<b>GRAND TOTAL</b>		<b>\$ 485,701</b>	<b>\$ 485,971</b>

**CITY OF MAUMELLE, ARKANSAS****CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS - BY SOURCE  
DECEMBER 31, 2019**

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Land	\$ 8,736,172
Buildings	21,128,571
Equipment	3,137,824
Infrastructure	30,756,409
Construction in Progress	864,305
Subtotal	<hr/> <u>64,623,281</u>

## Investments in governmental funds capital assets by source:

General fund	34,003,956
Special revenue fund	29,969,156
Capital project fund	650,170
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<hr/> <u>\$ 64,623,282</u>

## CITY OF MAUMELLE, ARKANSAS

CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY  
DECEMBER 31, 2019

FUNCTION AND ACTIVITY	Land	Buildings	Machinery and Equipment	Infra- Structure	Construction in Progress	Total
General government:						
Administrative services	\$ 8,736,172	\$ 21,128,571	\$ 617,723	\$ -	\$ 191,455	\$ 30,673,921
Legal and judicial:						
Court	-	-	-	-	-	-
Public safety:						
Police	-	-	141,199	-	-	141,199
Fire	-	-	1,371,118	-	-	1,371,118
Animal control	-	-	21,211	-	-	21,211
Highways and streets:						
Public works	-	-	187,284	1,280,408	-	1,467,692
Streets	-	-	303,937	29,451,083	672,850	30,427,870
Culture and recreation:						
Parks	-	-	400,151	24,919	-	425,070
Senior services	-	-	79,518	-	-	79,518
Community & econ. development:						
CED	-	-	-	-	-	-
Planning and zoning	-	-	-	-	-	-
Code enforcement	-	-	15,683	-	-	15,683
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 8,736,172</b>	<b>\$ 21,128,571</b>	<b>\$ 3,137,824</b>	<b>\$ 30,756,410</b>	<b>\$ 864,305</b>	<b>\$ 64,623,282</b>

See independent auditor's report.

## **Nonmajor Governmental Funds**

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

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

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.

### ***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 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.

### ***Police & 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.

## CITY OF MAUMELLE, ARKANSAS

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	Special Revenue			Total Nonmajor Governmental Funds
	District Court Automation Fund	Capital Improvement Fund	Police and Fire Fund	
<b>ASSETS</b>				
Cash	\$ 38,805	\$ 360,000	\$ -	\$ 398,805
Taxes receivable	-	-	145,332	145,332
<b>TOTAL ASSETS</b>	<b>38,805</b>	<b>360,000</b>	<b>145,332</b>	<b>544,137</b>
<b>LIABILITIES</b>				
Accounts payable	8	-	-	8
<b>TOTAL LIABILITIES</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>FUND BALANCES</b>				
Restricted:				
Restricted	38,797	-	-	38,797
Committed	-	360,000	145,332	505,332
<b>TOTAL FUND BALANCES</b>	<b>38,797</b>	<b>360,000</b>	<b>145,332</b>	<b>544,129</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,805</b>	<b>\$ 360,000</b>	<b>\$ 145,332</b>	<b>\$ 544,137</b>

*See independent auditor's report.*

## CITY OF MAUMELLE, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue			Total Nonmajor Governmental Funds
	District Court Automation Fund	Capital Improvement Fund	Police and Fire Fund	
<b>REVENUES</b>				
Sales Tax	\$ -	\$ -	\$ 145,332	\$ 145,332
Legal and Judicial fees	6,705	-	-	6,705
<b>TOTAL REVENUES</b>	<b>6,705</b>	<b>-</b>	<b>145,332</b>	<b>152,037</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,591	-	-	2,591
Legal and judicial				
Capital outlay:				
<b>TOTAL EXPENDITURES</b>	<b>2,591</b>	<b>-</b>	<b>-</b>	<b>2,591</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,114</b>	<b>-</b>	<b>145,332</b>	<b>149,446</b>
Other financing sources (uses):				
Transfers in	-	360,000	-	360,000
Total other financing sources (uses)	-	360,000	-	360,000
Net change in fund balances	4,114	360,000	145,332	509,446
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>34,683</b>	<b>-</b>	<b>-</b>	<b>34,683</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 38,797</b>	<b>\$ 360,000</b>	<b>\$ 145,332</b>	<b>\$ 544,129</b>

See the independent auditor's report.

**PENSION SCHEDULES**

**LOPFI - Fire**

	December 31	2015	2016	2017	2018	2019
City's proportion of the net pension liability		0.380763%	0.470231%	0.532558%	0.577410%	0.60021%
City's proportionate share of the net pension liability	1,378,397	2,682,810	3,784,340	5,210,420	4,638,086	
City's covered-employee payroll	1,470,346	1,629,300	1,839,153	2,070,075	2,160,860	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	93.75%	164.66%	205.77%	251.70%	214.64%	
Plan fiduciary net position as a percentage of the Plan's total pension liability	79.14%	72.87%	71.48%	66.09%	73.21%	

**LOPFI - Police**

	December 31	2015	2016	2017	2018	2019
City's proportion of the net pension liability		0.389465%	0.418718%	0.449579%	0.473430%	0.484040%
City's proportionate share of the net pension liability	1,409,900	2,388,913	3,194,695	4,272,138	3,740,346	
City's covered-employee payroll	1,927,541	2,014,848	2,130,647	2,275,384	1,629,300	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	73.15%	118.57%	149.94%	187.75%	229.57%	
Plan fiduciary net position as a percentage of the Plan's total pension liability	79.14%	72.87%	71.48%	66.09%	73.21%	

**LOPFI - Volunteer Fire**

	December 31	2015	2016	2017	2018	2019
City's proportion of the net pension liability		0.333053%	0.279408%	0.214060%	0.173400%	0.146230%
City's proportionate share of the net pension liability	106,398	103,475	91,316	87,710	61,415	
City's covered-employee payroll	17,815	11,005	14,315	4,275	1,629,300	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	597.24%	940.25%	637.90%	2051.70%	3.77%	
Plan fiduciary net position as a percentage of the Plan's total pension liability	64.58%	64.29%	64.71%	60.56%	69.21%	

**APERS**

June 30	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.004025%	0.004005%	0.003210%	0.002291%	0.001940%
City's proportionate share of the net pension liability	74,125	95,783	82,948	50,530	46,803
City's covered-employee payroll	71,888	73,353	39,870	39,573	30,477
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	103.11%	130.58%	208.05%	107.96%	153.57%
Plan fiduciary net position as a percentage of the Plan's total pension liability	25.82%	75.50%	75.65%	79.59%	78.55%

**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.

**LOPFI - Fire**

	2015	2016	2017	2018	2019
Actuarially determined contribution	225,955	310,675	380,967	450,857	500,888
Contributions in relation to the actuarially determined contributions	129,653	203,189	250,780	291,287	684,561
Contribution deficiency (excess)	<u>96,302</u>	<u>107,486</u>	<u>130,187</u>	<u>159,570</u>	<u>(183,673)</u>
Covered Payroll	1,470,346	1,629,300	1,839,153	2,070,075	2,160,860
Contributions as a percentage of covered-employee payroll	8.82%	12.47%	13.64%	14.07%	31.68%

**LOPFI - Police**

	2015	2016	2017	2018	2019
Actuarially determined contribution	231,119	276,641	321,608	369,668	403,937
Contributions in relation to the actuarially determined contributions	133,965	157,087	204,514	233,892	574,787
Contribution deficiency (excess)	<u>97,154</u>	<u>119,554</u>	<u>117,094</u>	<u>135,776</u>	<u>(170,850)</u>
Covered Payroll	1,927,541	2,014,848	2,130,647	2,275,384	2,003,441
Contributions as a percentage of covered-employee payroll	6.95%	7.80%	9.60%	10.28%	28.69%

**LOPFI - Volunteer Fire**

	2015	2016	2017	2018	2019
Actuarially determined contribution	15,453	12,906	10,303	8,587	7,788
Contributions in relation to the actuarially determined contributions	1,528	2,331	986	773	708
Contribution deficiency (excess)	<u>13,925</u>	<u>10,575</u>	<u>9,317</u>	<u>7,814</u>	<u>7,080</u>
Covered Payroll	17,815	11,005	14,315	4,275	2,200
Contributions as a percentage of covered-employee payroll	8.58%	21.18%	6.89%	18.08%	32.18%

**APERS**

	2015	2016	2017	2018	2019
Actuarially determined contribution	10,540	10,523	8,389	8,034	5,687
Contributions in relation to the actuarially determined contributions	10,544	10,636	5,695	6,281	6,193
Contribution deficiency (excess)	<u>(4)</u>	<u>(113)</u>	<u>2,694</u>	<u>1,753</u>	<u>(506)</u>
Covered Payroll	71,888	73,353	38,970	39,573	30,477
Contributions as a percentage of covered-employee payroll	14.67%	14.50%	14.61%	15.87%	20.32%

See the independent auditors report.

## STATISTICAL SECTION

This part of the City of Maumelle's comprehensive annual 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>	59-64
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	65-71
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>	72-78
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>	79-80
Operating Information <i>These schedules contain information about the City's operating environment.</i>	81-83

*Sources: Unless otherwise noted, the information in these schedules is derived from prior year comprehensive annual financial reports.*

## CITY OF MAUMELLE, ARKANSAS

## NET POSITION BY COMPONENT

## TEN YEAR SUMMARY

	2010	2011	2012	2013	2014
<b>Governmental activities</b>					
Net Invested in capital assets	\$ 29,349,289	\$ 31,979,728	\$ 32,629,569	\$ 32,177,927	\$ 35,240,803
Restricted	3,951,986	3,314,174	3,166,546	3,407,849	3,421,367
Unrestricted	4,738,158	4,824,942	6,027,675	8,386,984	5,024,086
<b>Total governmental activities net position</b>	<b>\$ 38,039,433</b>	<b>\$ 40,118,844</b>	<b>\$ 41,823,790</b>	<b>\$ 43,972,760</b>	<b>\$ 43,686,256</b>
<b>Business-type activities</b>					
Net Invested in capital assets	298,753	281,149	248,765	209,476	639,348
Restricted	-	-	-	-	-
Unrestricted	307,626	488,321	659,965	955,129	888,920
<b>Total business-type activities net position</b>	<b>\$ 606,379</b>	<b>\$ 769,470</b>	<b>\$ 908,730</b>	<b>\$ 1,164,605</b>	<b>\$ 1,528,268</b>
<b>Primary government</b>					
Net Invested in capital assets	29,648,042	32,260,877	32,878,334	32,387,403	35,880,151
Restricted	3,951,986	3,314,174	3,166,546	3,407,849	3,421,367
Unrestricted	5,045,784	5,313,263	6,687,640	9,342,113	5,913,006
<b>Total primary government net position</b>	<b>\$ 38,645,812</b>	<b>\$ 40,888,314</b>	<b>\$ 42,732,520</b>	<b>\$ 45,137,365</b>	<b>\$ 45,214,524</b>
	2015	2016	2017	2018	2019
<b>Governmental activities</b>					
Net Invested in capital assets	\$ 37,338,652	\$ 38,141,976	\$ 40,843,124	\$ 52,714,227	\$ 48,022,802
Restricted	3,673,667	3,976,107	2,450,092	4,311,506	4,742,950
Unrestricted	4,338,707	3,911,757	3,953,394	(4,959,792)	532,600
<b>Total governmental activities net position</b>	<b>\$ 45,351,026</b>	<b>\$ 46,029,840</b>	<b>\$ 47,246,610</b>	<b>\$ 52,065,941</b>	<b>\$ 53,298,352</b>
<b>Business-type activities</b>					
Net Invested in capital assets	583,638	676,186	869,660	986,143	813,213
Restricted	-	-	-	-	-
Unrestricted	1,201,517	1,411,595	1,391,240	1,008,850	1,176,059
<b>Total business-type activities net position</b>	<b>\$ 1,785,155</b>	<b>\$ 2,087,781</b>	<b>\$ 2,260,900</b>	<b>\$ 1,994,993</b>	<b>\$ 1,989,272</b>
<b>Primary government</b>					
Net Invested in capital assets	37,922,290	38,818,162	41,712,784	53,700,370	48,836,015
Restricted	3,673,667	3,976,107	2,450,092	4,311,506	4,742,950
Unrestricted	5,540,224	5,323,352	5,344,634	(3,950,942)	1,708,659
<b>Total primary government net position</b>	<b>\$ 47,136,181</b>	<b>\$ 48,117,621</b>	<b>\$ 49,507,510</b>	<b>\$ 54,060,934</b>	<b>\$ 55,287,624</b>

**CITY OF MAUMELLE, ARKANSAS**
**CHANGES IN NET POSITION**
**2010- 2014**
**TEN YEAR SUMMARY**

	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities					
Administrative services	\$ 2,362,197	\$ 2,540,086	\$ 2,751,194	\$ 2,768,599	\$ 2,790,208
Highways and streets	1,988,151	2,163,386	2,102,162	1,842,300	1,931,238
Legal and judicial	299,198	312,148	314,213	285,347	286,568
Culture and recreation	1,661,550	1,784,967	1,870,440	1,863,960	1,811,555
Public safety	4,143,887	4,581,806	5,040,193	5,195,250	5,456,751
Economic development	577,955	594,054	613,896	600,317	600,763
Interest on long-term debt	481,529	459,855	188,290	438,521	521,448
Agent fees on long-term debt	11,260	10,228	8,070	4,351	40,826
Bond issuance costs			53,928	136,740	54,064
Total governmental activities expenses	11,525,727	12,446,530	12,942,386	13,135,385	13,493,421
Business-type activities					
Sanitation	944,391	1,039,073	1,053,908	1,001,899	1,063,930
Total primary government expenses	12,470,118	13,485,603	13,996,294	14,137,284	14,557,351
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
Public safety	816,472	780,170	746,709	769,614	825,661
Culture and recreation	505,630	484,918	476,462	488,405	394,529
Economic development	197,769	227,318	184,493	238,457	-
Other activities	171,460	283,759	230,962	251,811	417,242
Operating grants and contributions	41,761	35,570	28,038	50,451	6,614
Capital grants and contributions	8,661	132,393	319,099	263,547	274,784
Total governmental activities program revenues	1,741,753	1,944,128	1,985,763	2,062,285	1,918,830
Business-type activities:					
Charges for services	1,028,680	1,112,529	1,103,553	1,168,139	1,337,958
Total primary government program revenues	2,770,433	3,056,657	3,089,316	3,230,424	3,256,788
<b>Net revenues (expenses)</b>					
Governmental activities	(9,783,974)	(10,502,402)	(10,956,623)	(11,073,100)	(11,574,591)
Business-type activities	84,289	73,457	49,625	166,240	274,028
Total primary government net revenues (expenses)	(9,699,685)	(10,428,945)	(10,906,998)	(10,906,860)	(11,300,563)
<b>General revenues</b>					
Governmental activities					
Taxes	6,078,916	6,062,748	6,122,754	6,453,026	6,510,243
Intergovernmental	5,254,978	6,557,600	6,568,654	6,760,439	7,236,273
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	(36,664)	51,100	59,796	34,292	32,311
Miscellaneous	-	-	-	63,948	19,324
Special items	(59,757)	(89,635)	-	-	-
Transfers			(89,635)	(89,635)	(89,635)
Total governmental activities	11,237,473	12,581,813	12,661,569	13,222,070	13,708,516
Business-type activities					
Transfers	59,757	89,635	89,635	89,635	89,635
Total business-type activities general revenues	59,757	89,635	89,635	89,635	89,635
Total primary government general revenues	11,297,230	12,671,448	12,751,204	13,311,705	13,798,151
<b>Changes in Net Position</b>					
Governmental activities	1,453,499	2,079,411	1,704,946	2,148,970	2,133,925
Business-type activities	144,046	163,091	139,259	255,875	363,663
Total primary government changes in net position	\$ 1,597,545	\$ 2,242,502	\$ 1,844,205	\$ 2,404,845	\$ 2,497,588

*Statistical Section (Not covered by auditor's opinion)*

**CITY OF MAUMELLE, ARKANSAS**  
**2015- 2019 TEN YEAR SUMMARY (CONTINUED FROM PREVIOUS PAGE)**

**CHANGES IN NET POSITION**

	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities					
Administrative services	\$ 2,684,683	\$ 2,672,643	\$ 2,509,889	\$ 2,796,676	\$ 3,251,552
Highways and streets	1,949,484	2,130,379	2,732,397	2,149,105	2,348,343
Legal and judicial	293,746	289,478	290,300	302,373	311,860
Culture and recreation	1,832,018	1,817,684	2,005,254	2,101,299	2,357,123
Public safety	5,860,267	7,222,789	7,432,184	8,272,546	8,939,676
Economic development	597,599	589,634	588,815	591,620	732,123
Interest on long-term debt	754,683	735,611	683,087	947,885	919,492
Agent fees on long-term debt	21,368	12,817	10,484	12,714	14,550
Bond issuance costs	243,962	-	-	277,396	123,898
Total governmental activities expenses	14,237,810	15,471,035	16,252,410	17,451,614	18,998,617
Business-type activities					
Sanitation	1,031,423	1,017,172	1,154,979	1,280,887	1,315,706
Total primary government expenses	15,269,233	16,488,207	17,407,389	18,732,501	20,314,323
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
Public safety	920,867	873,394	811,727	402,781	32,246
Culture and recreation	375,403	342,397	825,511	435,322	497,563
Economic development	194,507	198,239	224,726	258,417	193,131
Other activities	189,374	163,296	240,761	143,215	114,760
Operating grants and contributions	200,013	294,908	708,218	114,411	485,294
Capital grants and contributions	31,000	-	-	-	-
Total governmental activities program revenues	1,911,164	1,872,234	2,810,943	1,354,146	1,322,994
Business-type activities:					
Charges for services	1,258,621	1,319,798	1,328,098	1,000,052	1,281,164
Total primary government program revenues	3,169,785	3,192,032	4,139,041	2,354,198	2,604,158
<b>Net revenues (expenses)</b>					
Governmental activities	(12,326,646)	(13,598,801)	(13,441,467)	(16,097,468)	(17,675,623)
Business-type activities	227,198	302,626	173,119	(280,835)	(34,542)
Total primary government net revenues (expenses)	(12,099,448)	(13,296,175)	(13,268,348)	(16,378,303)	(17,710,165)
<b>General revenues</b>					
Governmental activities					
Taxes	6,546,399	6,619,143	6,772,391	10,601,891	16,771,271
Intergovernmental	7,370,459	7,586,940	7,593,855	5,666,151	1,517,929
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	76,358	46,324	111,352	279,047	308,235
Miscellaneous	27,889	25,208	180,639	235,037	174,192
Special items	-	-	-	-	-
Transfers	(29,689)	-	-	-	-
Total governmental activities	13,991,416	14,277,615	14,658,237	16,782,126	18,771,627
Business-type activities					
Transfers	29,689	-	-	14,928	28,821
Total business-type activities general revenues	29,689	-	-	14,928	28,821
Total primary government general revenues	14,021,105	14,277,615	14,658,237	16,797,054	18,800,448
<b>Changes in Net Position</b>					
Governmental activities	1,664,770	678,814	1,216,770	684,658	1,232,411
Business-type activities	256,887	302,626	173,119	(265,907)	(5,721)
Total primary government changes in net position	\$ 1,921,657	\$ 981,440	\$ 1,389,889	\$ 418,751	\$ 1,226,690

## TEN YEAR SUMMARY

	2010	2011	2012	2013	2014
General Fund					
Nonspendable	\$ 164,631	\$ 67,277	\$ 27,323	\$ 28,156	\$ 13,600
Restricted	-	-	41,502	-	-
Committed	-	-	1,000,000	1,000,000	-
Assigned	129,240	36,692	3,624	279,584	56,086
Unassigned	2,713,853	3,403,669	4,910,291	5,106,299	4,938,950
Total general fund	<u>3,007,724</u>	<u>3,507,638</u>	<u>5,982,740</u>	<u>6,414,039</u>	<u>5,008,636</u>
All Other Governmental Funds					
Restricted reported in:					
Special revenue	3,937,810	3,303,553	3,276,025	3,353,698	3,369,723
Debt service	1,954,979	1,728,541	215,937	2,199,838	2,633,372
Capital projects	1,851,319	1,722,123	1,598,860	11,130,100	16,010,640
Nonmajor funds	-	-	-	26,583	20,802
Total all other government funds	<u>7,744,108</u>	<u>6,754,217</u>	<u>5,090,822</u>	<u>16,710,219</u>	<u>22,034,537</u>
Total governmental funds	<u>\$ 10,751,832</u>	<u>\$ 10,261,855</u>	<u>\$ 11,073,562</u>	<u>\$ 23,124,258</u>	<u>\$ 27,043,173</u>
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 19,338	\$ 21,198	\$ 170,222	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	63,406	18,579	8,733	8,952	-
Unassigned	5,321,563	5,656,100	6,476,077	5,806,446	4,103,298
Total general fund	<u>5,404,307</u>	<u>5,695,877</u>	<u>6,655,032</u>	<u>5,815,398</u>	<u>4,103,298</u>
All Other Governmental Funds					
Restricted reported in:					
Special revenue	3,626,143	3,924,142	2,393,777	4,276,823	4,704,153
Debt service	2,366,070	2,780,287	2,628,207	3,265,472	3,957,027
Capital projects	22,928,457	15,244,076	11,690,011	10,749,568	10,148,502
Nonmajor funds	26,588	31,270	32,888	34,683	544,129
Total all other government funds	<u>28,947,258</u>	<u>21,979,775</u>	<u>16,744,883</u>	<u>18,326,546</u>	<u>19,353,811</u>
Total governmental funds	<u>\$ 34,351,565</u>	<u>\$ 27,675,652</u>	<u>\$ 23,399,915</u>	<u>\$ 24,141,944</u>	<u>\$ 23,457,109</u>

CITY OF MAUMELLE, ARKANSAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS, 2010 - 2014  
TEN YEAR SUMMARY

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014
<b>REVENUES</b>					
General Property Tax	\$ 4,608,165	\$ 4,541,965	\$ 4,630,043	\$ 4,692,978	\$ 4,891,881
Licenses and Permits	197,769	227,318	184,493	238,457	178,569
Intergovernmental	5,266,189	6,456,955	6,559,092	6,754,513	710,794
Charges for services	808,127	780,170	1,223,172	1,173,889	1,209,341
Fines	182,389	197,808	193,820	248,654	208,835
Utility Franchise Fees	1,476,838	1,495,036	1,559,277	1,523,220	1,570,890
Investment Income	(36,644)	51,100	59,796	34,292	32,311
Miscellaneous	576,714	738,831	387,433	331,681	396,211
<b>TOTAL REVENUES</b>	<b>13,079,547</b>	<b>14,489,183</b>	<b>14,797,126</b>	<b>14,997,684</b>	<b>9,198,832</b>
<b>EXPENDITURES</b>					
Administrative services	1,346,888	1,496,490	1,663,724	1,649,319	1,589,947
Public works and streets	1,583,642	1,671,893	1,529,639	1,376,828	1,488,629
Parks and recreation	1,572,172	1,687,984	1,746,952	1,720,079	1,709,376
Public safety	3,841,127	4,208,480	4,623,722	4,804,762	4,999,907
Debt service, general	11,260	10,228	61,998	248,133	201,932
Debt service, principal	2,002,424	2,450,500	10,036,250	515,000	2,045,000
Debt service, interest	550,862	479,918	465,638	370,863	477,113
Other	867,396	895,728	887,825	879,339	882,145
Capital outlay	2,131,532	1,988,305	1,023,575	1,836,499	3,799,505
<b>TOTAL EXPENDITURES</b>	<b>13,907,303</b>	<b>14,889,526</b>	<b>22,039,323</b>	<b>13,400,822</b>	<b>17,193,554</b>
<b>OTHER FINANCING SOURCES (USES)</b>	<b>(59,757)</b>	<b>(89,635)</b>	<b>8,053,901</b>	<b>10,453,837</b>	<b>5,521,627</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ (887,509)</b>	<b>\$ (489,977)</b>	<b>\$ 811,704</b>	<b>\$ 12,050,699</b>	<b>\$ 3,918,905</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>21.68%</b>	<b>22.71%</b>	<b>49.97%</b>	<b>7.66%</b>	<b>18.83%</b>

CITY OF MAUMELLE, ARKANSAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS, 2015 - 2019  
TEN YEAR SUMMARY

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019
<b>REVENUES</b>					
General Property Tax	\$ 4,942,983	\$ 5,013,729	\$ 5,180,353	\$ 5,547,067	\$ 5,437,412
Licenses and Permits	194,507	198,239	224,725	258,417	193,131
Intergovernmental	7,345,329	7,564,113	7,546,796	9,386,600	10,943,382
Charges for services	1,242,101	1,230,901	1,321,616	836,473	548,427
Fines	180,701	150,480	128,636	142,669	112,649
Utility Franchise Fees	1,713,632	1,629,326	1,603,499	1,723,625	1,610,520
Investment Income	76,358	46,324	111,352	279,047	308,235
Miscellaneous	159,452	417,271	1,290,988	348,559	775,684
<b>TOTAL REVENUES</b>	<b>15,855,063</b>	<b>16,250,383</b>	<b>17,407,965</b>	<b>18,522,457</b>	<b>19,929,440</b>
<b>EXPENDITURES</b>					
Administrative services	1,633,764	1,654,014	1,455,927	1,593,445	2,066,775
Public works and streets	1,425,756	1,599,179	2,181,883	1,579,978	1,513,303
Parks and recreation	1,734,106	1,728,967	1,909,581	2,001,654	2,240,326
Public safety	5,252,468	5,583,862	6,005,885	6,524,115	7,201,722
Debt service, general	372,372	119,859	117,526	106,676	99,234
Debt service, principal	13,635,000	1,815,000	2,445,000	2,415,000	9,432,561
Debt service, interest	703,275	796,546	762,903	697,952	1,067,436
Other	885,997	873,291	871,889	899,285	1,041,421
Capital outlay	2,598,203	8,755,578	5,968,210	16,079,127	2,190,199
<b>TOTAL EXPENDITURES</b>	<b>28,240,941</b>	<b>22,926,296</b>	<b>21,718,804</b>	<b>31,897,232</b>	<b>26,852,977</b>
<b>OTHER FINANCING SOURCES (USES)</b>	19,694,272	-	35,102	14,116,804	6,238,702
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ 7,308,394</b>	<b>\$ (6,675,913)</b>	<b>\$ (4,275,737)</b>	<b>\$ 742,029</b>	<b>\$ (684,835)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	55.92%	18.43%	20.37%	19.68%	42.57%

Year	PROGRAM REVENUES			GENERAL REVENUES			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2010	2,720,011	41,761	8,661	11,333,894	(36,664)	-	14,067,663
2011	2,888,695	35,570	132,393	12,620,348	51,100	-	15,728,106
2013	2,742,159	28,038	319,099	12,691,408	59,796	-	15,840,500
2013	2,916,426	50,451	263,547	13,213,465	34,292	63,948	16,542,129
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	200,895	21,541,013

**TEN YEAR SUMMARY**

Year	Administrative Services	Public Safety	Highways and Streets	Culture and Recreation	Municipal Court	Debt Service	Total
2010	7,995,589	808,127	1,289,776	505,631	182,389	2,298,036	13,079,548
2011	9,361,159	780,170	1,365,013	484,918	197,808	2,300,116	14,489,184
2012	9,881,256	746,709	1,299,413	476,463	193,820	2,199,465	14,797,126
2013	9,800,044	685,484	1,401,638	488,405	248,654	2,373,459	14,997,684
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

**TEN YEAR SUMMARY**

Year	Licenses and Permits		Charges for Services		Inter-Gov't	Investment			Total
	Taxes	Permits	Services	Gov't		Fines	Earnings	Misc	
2010	11,351,192	197,769	1,313,758	50,422	182,389	(36,644)	20,661	13,079,547	
2011	12,493,956	227,318	1,265,088	167,962	197,808	51,100	85,952	14,489,184	
2012	12,748,412	184,493	1,223,172	343,137	193,820	59,796	44,296	14,797,126	
2013	12,970,711	238,457	1,173,889	190,494	248,654	34,292	141,187	14,997,684	
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	8,565,861	728,923	548,427	606,249	112,649	308,235	169,435	11,039,779	

## CITY OF MAUMELLE, ARKANSAS

ASSESSED VALUATION OF REAL,  
PERSONAL, AND UTILITY PROPERTY  
TEN YEAR SUMMARY

Year	Rate	Real Property	Personal Property	Utility Property	Total	Estimated	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	13.7	292,184,084	62,459,110	5,772,040	360,415,234	1,802,076,170		20%
2011	13.7	297,737,589	66,662,505	2,792,370	367,192,464	1,835,962,320		20%
2012	13.7	297,008,389	69,867,860	6,510,240	373,386,489	1,866,932,445		20%
2013	13.7	304,328,429	78,629,700	7,488,770	390,446,899	1,952,234,495		20%
2014	13.7	308,890,232	75,712,242	5,748,015	390,350,489	1,951,752,445		20%
2015	13.7	317,230,330	78,267,665	5,906,560	401,404,555	2,007,022,775		20%
2016	13.7	323,329,626	86,968,830	5,769,700	416,068,156	2,080,340,780		20%
2017	13.7	326,853,984	89,540,215	5,633,345	422,027,544	2,110,137,720		20%
2018	13.7	335,290,167	76,933,820	5,696,460	417,920,447	2,089,602,235		20%
2019	13.7	341,940,749	81,725,710	6,342,950	430,009,409	2,150,047,045		20%

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

*Source: Pulaski County Tax Assessor.*

Fiscal Year	DIRECT RATES					OVERLAPPING RATES		
	City of Maumelle					County	School District	Total
	Debt Service Millage	Operating Millage	Roads	Library Millage	Total			
2010	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2011	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2012	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2013	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2014	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2015	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2016	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2017	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2018	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>
2019	6.60	5.00	1.45	2.10	15.15	7.05	40.70	<b>62.90</b>

*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

## CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2019 Assessed Valuation	2019 Rank	Percentage of Total Assessed Valuation	2010 Assessed Valuation	2010 Rank
Ace Hardware Corp	Distribution warehouse	\$ 4,120,690	1	0.96%	\$ 2,765,662	3
Molex Incorporated	computer cabling	3,220,300	2	0.75%	3,520,026	1
Parc at Maumelle Ltd Partnership	Multi-unit housing	2,930,000	3	0.68%	2,276,880	5
Glen UNA Holdings Little Rock*	Distribution warehouse	2,786,720	4	0.65%	2,749,702	4
Kimberly-Clark	Baby wipe manufacturer	2,731,780	5	0.64%	1,673,827	9
Maumelle Housing Association Ltd	Multi-unit housing	2,405,090	6	0.56%	2,062,204	6
The Villa at Riverpointe (2014)	Multi-unit housing	2,212,900	7	0.51%		
The Villa at Riverpointe (2016)	Multi-unit housing	1,834,196	8	0.43%		
Kroger Limited Partnership	Retail grocery store	1,698,000	9	0.39%	1,810,549	8
Burkhalter Property Group	Distribution warehouse	1,450,000	10	0.34%		
Frostyaire of Arkansas, Inc	Distribution warehouse				1,844,471	7
R E McElroy, Inc.	Real estate investments				2,800,000	2
Pulaski County	Government				1,239,650	10
		<u>\$ 25,389,676</u>		<u>5.90%</u>	<u>\$ 22,742,971</u>	

\*Previously Scholastic Distribution

Source: Pulaski County Treasurer

Year Ended	Total Tax Levy	Collection of Current Year's Taxes During Current Period	Percentage of Levy Collected	Prior Year's Collections	Total Collections	Percentage of Total Collections to Tax Levy
2010	5,064,449	4,640,583	91.63%	169,607	4,810,190	94.98%
2011	4,831,040	4,329,875	89.63%	218,528	4,548,403	94.15%
2012	4,872,718	4,395,765	90.21%	186,912	4,582,677	94.05%
2013	5,095,353	4,432,993	87.00%	214,922	4,647,915	91.22%
2014	5,094,563	4,549,513	89.30%	208,803	4,758,316	93.40%
2015	5,238,348	4,670,207	89.15%	193,528	4,863,735	92.85%
2016	6,526,304	6,003,793	91.99%	504,262	6,508,055	99.72%
2017	6,153,341	5,180,353	84.19%	170,563	5,350,916	86.96%
2018	5,073,827	4,797,835	94.56%	390,819	5,188,654	102.26%
2019	<b>5,204,054</b>	4,772,465	91.71%	416,188	5,188,654	99.70%
Total Collections - Last Ten Fiscal Years					<b><u>\$ 50,447,514</u></b>	
Total Collections to Date					<b><u>\$ 80,307,232</u></b>	

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

*Source: Pulaski County Treasurer*

**TEN YEAR SUMMARY**

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Expenditures	Percentage of Debt Service of Total General Expenditures
2010	2,002,424	562,122	2,564,546	13,907,300	18.44%
2011	2,450,500	490,146	2,940,646	14,889,526	19.75%
2012*	10,036,250	527,636	10,563,886	22,039,323	47.93%
2013	515,000	370,863	885,863	13,400,822	6.61%
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%

\*Series 2005 and 2007 bonds refunded

\*\* Series 2012 bonds refunded

Year	Governmental Activities					Business-Type Activities		Total Primary Government	Assessed Value <sup>2</sup>	Percentage of Assessed Value
	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes Payable	Notes Payable					
2010	4,030,000	8,251,250	-	-	351,804			12,633,054	353,909,669	3.57%
2011	1,715,000	8,161,250	-	-	276,659			10,152,909	370,192,464	2.74%
2012	-	8,081,082	-	-	198,047			8,279,129	373,386,489	2.22%
2013	9,699,821	7,869,319	428,168	-	115,739			18,113,047	390,446,899	4.64%
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	-	-	-			30,385,000	430,009,409	7.07%
Year			Debt Per Capita	Per Capita Personal Income	Percentage of Personal Income					
	Population <sup>1</sup>	Capita								
2010	17,163	736.06	45,646	1.61%						
2011	17,489	580.53	37,168	1.56%						
2012	17,594	470.57	37,594	1.25%						
2013	17,710	1,022.76	37,453	2.73%						
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	18,199	1,845.16	43,066	4.28%						
2019	18,199	1,669.60	43,988	3.80%						

*Data Sources:*<sup>1</sup> US Census Bureau<sup>2</sup> Pulaski County Treasurer's Office

Year	Population <sup>1</sup>	Assessed Value <sup>2</sup>	Accumulated	Net Bonded	Percentage of Net	Net Bonded
			Resources			
			Restricted for payment of general bonded	Debt	Bonded Debt to Assessed Value	Debt Per Capita
2010	17,163	360,415,234	1,485,117	10,796,133	3.00%	629.04
2011	17,489	367,192,464	1,352,430	8,391,133	2.29%	479.79
2012	17,594	373,386,489	290,125	6,728,652	1.80%	382.44
2013	17,710	390,446,899	2,242,305	7,579,194	1.94%	427.96
2014	17,826	390,350,489	2,675,836	19,149,349	4.91%	1,074.24
2015	17,970	401,404,555	2,395,185	24,552,275	6.12%	1,366.29
2016	18,204	416,068,156	2,804,402	22,438,059	5.39%	1,232.59
2017	18,205	422,027,544	2,652,322	19,427,678	4.60%	1,067.16
2018	18,100	417,920,447	3,054,471	30,525,529	7.30%	1,686.49
2019	18,199	430,009,409	3,638,355	26,746,645	6.22%	1,469.68

*Data Sources:*<sup>1</sup> U.S. Census Bureau<sup>2</sup> Pulaski County Treasurer's Office

**DECEMBER 31, 2019**

	Gross Bonded Debt Less Funds Available for Retirement	Percentage Applicable to the City of Maumelle	City of Maumelle's Share of Bonded Debt
City of Maumelle	\$ 30,385,000	100.0%	\$ 30,385,000
Pulaski County Special School District <sup>1</sup>	253,025,000	28.0%	70,847,000
<b>Total</b>	<b>\$ 283,410,000</b>		<b>\$ 101,232,000</b>

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

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

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	\$ 430,009,409
Debt limitation 20% of assessed value	86,001,882
General obligation debt	(30,385,000)
Less amount available in debt service fund	<u>3,638,355</u>
Total amount of debt applicable to debt limitation	(26,746,645)
Legal debt margin	<u>\$ 59,255,237</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.*

**TEN 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
2010	72,083,047	8,391,133	63,691,914	12%
2011	74,038,493	6,728,652	67,309,841	9%
2012	74,677,298	7,579,194	67,098,104	10%
2013	78,089,380	7,457,516	70,631,864	10%
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%

**TEN YEAR SUMMARY**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Franchise Tax Received</b>	\$ 1,476,838	\$ 1,495,036	\$ 1,559,277	\$ 1,523,220	\$ 1,570,890	\$ 1,713,632	\$ 1,629,326	\$ 1,603,499	\$ 1,723,625	\$ 1,610,520
<b>2005 Revenue Bonds:<sup>2</sup></b>										
Principal (\$)	85,000	980,000	4,261,250	-	-	-	-	-	-	-
Interest (\$)	116,540	113,650	117,567	-	-	-	-	-	-	-
Coverage (%)	7.33	7.34	0.36	-	-	-	-	-	-	-
<b>2007 Revenue Bonds:<sup>1,2</sup></b>										
Principal (\$)	-	-	2,615,000	-	-	-	-	-	-	-
Interest (\$)	254,171	254,171	191,334	-	-	-	-	-	-	-
Coverage (%)	5.81	5.88	0.27	-	-	-	-	-	-	-
<b>2012 Revenue Bonds: <sup>3,4</sup></b>										
Principal (\$)	-	-	160,000	215,000	215,000	220,000	225,000	230,000	280,000	6,760,000
Interest (\$)	-	-	137,986	274,372	272,422	267,923	263,523	259,023	254,423	256,523
Coverage (%)	-	-	5.23	3.11	3.22	3.51	3.34	3.28	3.23	0.23
<b>2012 Revenue Bonds: <sup>4</sup></b>										
Principal (\$)										-
Interest (\$)										-
Coverage (%)										-

<sup>1</sup> No principal payment due until 2013.

<sup>2</sup> Bonds were refunded in 2012.

<sup>3</sup> Bonds issued in 2012

<sup>4</sup> Bonds were refunded in 2019

Year	Population <sup>1</sup>	Personal Income	Per Capita			
			Personal Income <sup>2</sup>	Median Age <sup>2</sup>	School Enrollment <sup>2</sup>	Unemployment Rate <sup>3</sup>
2010	17,163	783,422,298	45,646	37.5	4,511	7.8
2011	17,489	650,031,152	37,168	37.5	4,511	7.9
2012	17,594	661,428,836	37,594	37.4	4,306	7.3
2013	17,710	663,292,630	37,453	35.9	4,772	7.0
2014	17,826	674,714,100	37,850	35.9	4,772	5.9
2015	17,970	663,955,560	36,948	34.6	5,068	5.0
2016	18,204	720,459,708	39,577	34.6	5,068	4.0
2017	18,205	733,006,120	40,264	39.5	4,823	3.7
2018	18,100	779,494,600	43,066	40	4,534	4
2019	18,199	800,537,612	43,988	40	4,651	4

*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

## CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010			Percentage of Total City Employment	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank			
Molex LRC Business Unit	521	1	20.6%	1,000	1		28.6%	
Dillard's Internet Fulfillment Center	416	2	16.4%					
Ace Hardware	300	3	11.9%	260	2		7.4%	
Kimberly Clark Corporation	270	4	10.7%	250	3		7.1%	
Cintas Corporation	180	5	7.1%	130	5		3.7%	
BEI Precision Systems & Space	175	6	6.9%	182	4		5.2%	
Pepsi	155	7	6.1%					
Lamb & Associates Packaging	92	8	3.6%	75	7		2.1%	
Leisure Arts	75	9	3.0%					
Crate Services	65	10	2.6%					
Plastic Ingenuity, Inc.	65	10	2.6%	60	8		1.7%	
Molex HPC Business Unit				117	6		3.3%	
Claudias Canine Cuisine				51	9		1.5%	
Vital Records of AR, Inc.	41			40	10		1.1%	

Source: City of Maumelle Community and Economic Development Department

## CITY OF MAUMELLE, ARKANSAS

FULL-TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION  
TEN YEAR SUMMARY

Function	2010	2011	2012	2013	2014
Administrative Services	10	11	12	12	15
Public works	22	26	26	24	23
Legal and judicial	4	4	4	4	4
Parks and recreation	32	22	24	28	30
Public Safety	66	70	75	73	77
Community and economic development	9	9	9	9	9
Sanitation	13	13	12	12	12
Totals	<u>156</u>	<u>155</u>	<u>162</u>	<u>162</u>	<u>170</u>
Function	2015	2016	2017	2018	2019
Administrative Services	15	13	15	14	15.5
Public works	31	30	31	29	29
Legal and judicial	5	4	3	3	3
Parks and recreation	35	35	26	35	42
Senior Services					10
Public Safety	77	78	78	88	96
Community and economic development	8	9	8	9	8
Sanitation	12	15	15	15	14.5
Totals	<u>183</u>	<u>184</u>	<u>176</u>	<u>192</u>	<u>217.5</u>

Source: City of Maumelle Human Resources Department

## TEN YEAR SUMMARY\*

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Number of uniformed employees	27	29	30	31	32	33	35	37	38	38
Service calls	4,389	5,702	7,868	8,196	8,177	10,118	11,779	12,580	12,391	11,995
Arrests	521	940	1,078	1,019	1,019	920	925	913	1,112	930
Traffic stops	2,134	2,260	3,239	3,955	4,014	2,363	2,287	2,895	3,255	2,693
Traffic citations	737	754	767	1,107	990	617	501	637	631	644
Training man hours	436	691	1,216	3,063	1,976	3,064	2,078	5,136	2,599	2,586
<b>Fire</b>										
Number of uniformed employees	21	26	26	26	29	29	32	36	37	40
Fires	53	44	59	53	57	68	45	58	46	62
Rescue, emergency medical calls	1,043	1,057	1,170	1,041	1,095	1,032	977	1,009	1,208	1,141
Hazardous condition, standby	29	23	28	29	44	40	33	48	47	47
Service calls	102	139	131	124	130	147	159	153	231	195
Good intent calls	87	81	103	121	78	109	110	59	189	225
False alarm calls	89	132	115	118	133	230	117	106	116	65
Natural disaster calls	6	25	11	11	7	14	1	3	1	8
Other calls	12	18	35	18	5	11	177	104	9	3
Total calls	1,421	1,519	1,652	1,515	1,549	1,651	1,619	1,540	1,847	1,746
<b>Animal Control</b>										
Number of uniformed employees	4	5	5	5	6	6	6	6	6	6
Number of animals taken into custody	600	583	620	824	817	725	606	667	554	524
Service calls	3,650	4,761	4,977	5,122	6,138	6,164	7,716	5,773	5,352	6,873
<b>Parks and recreation</b>										
Pool attendance	2,249	2,465	2,754	2,883	2,440	2,099	1,837	2,092	1,945	1,862
Participants in youth league sports <sup>2</sup>	72	60	72	60	70	80	80	80	80	80
Participants in adult league sports	906	888	802	948	998	927	970	941	462	412
<b>Senior Services<sup>3</sup></b>										
Senior Center attendance							23,838	40,493	65,286	85,665
Rides							4,499	6,001	6,236	6,714
Members							2,420	1,398	1,549	1,660
Meals Served							15,620	20,686	26,234	
<b>Garbage Collections</b>										
Monthly service rate	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Curbside recycling tonnage	204	251	279	290	543	521	502	574	574	520.18
Year waste cubic yardage	5,125	5,475	5,075	5,300	5,125	4,350	4,250	4,540	4,900	7085
Class I tonnage	5,014	5,124	5,059	5,287	5,200	4,892	4,924	5,000	5,803	5,963.24
<b>Code Enforcement/Building Permits</b>										
Total building permits issued <sup>1</sup>	956	944	1,213	99	101	1,412	1,726	2,701	1,294	1,225
New commercial permits	4	2	11	5	3	9	4	3	3	2
Commercial construction value	\$ 12,197,265	\$ 5,815,405	\$ 23,257,660	\$ 5,971,260	\$ 3,876,900	\$ 29,044,990	\$ 21,138,745	\$ 5,796,342	\$ 6,895,659	\$ 13,977,000
New residential permits	85	90	76	76	98	35	53	60	79	66
Residential construction value	\$ 24,756,821	\$ 25,340,718	\$ 22,465,018	\$ 22,943,787	\$ 21,565,694	\$ 9,792,502	\$ 17,162,109	\$ 15,583,358	\$ 22,319,661	\$ 207,475,959

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 2016

Statistical Section (Not covered by auditor's opinion)

**TEN YEAR SUMMARY**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Highways and streets										
Streets (#)	364	364	364	364	364	364	364	426	426	426
Culture and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	24	25	25	25	25	25	25	25	25	25
Swimming pools	1	1	1	1	1	1	1	1	1	1
Public safety										
Stations (Police & Fire)	3	3	3	3	3	3	3	3	3	3
Police patrol units	24	28	31	32	30	30	30	33	33	33
Fire trucks	4	4	4	4	4	3	3	3	3	3
Sanitation										
Collection trucks	9	9	9	9	9	9	9	9	9	9

*Source: City of Maumelle Capital Asset records*

## **COMPLIANCE SECTION**

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

To the City Council  
City of Maumelle, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Maumelle, Arkansas as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City of Maumelle, Arkansas's basic financial statements, and have issued our report thereon dated May 26, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Maumelle, Arkansas's internal control over financial reporting (internal control) as a basis for designing 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 City of Maumelle, Arkansas's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Maumelle, Arkansas'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 may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether City of Maumelle, Arkansas'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.

*EGP, PLLC*

May 26, 2022

Certified Public Accountants & Consultants  
North Little Rock, Arkansas

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

To the City Council  
City of Maumelle, Arkansas

We have examined management's assertions that the City of Maumelle, Arkansas complied with the requirements of Arkansas Act 15 of 1985 and the following Arkansas statutes during the year ended December 31, 2019.

- (1) Arkansas Municipal Accounting Law, § 14-59-101 et seq.;
- (2) Arkansas District 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.; and
- (6) Deposit of public funds, § 19-8-101 – § 19-8-107.

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

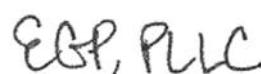
Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether City of Maumelle, Arkansas complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Maumelle, Arkansas complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

Our examination does not provide a legal determination on City of Maumelle, Arkansas's compliance with specified requirements.

In our opinion, management's assertion that City of Maumelle, Arkansas complied with the aforementioned requirements, for example the requirements during the year ended December 31, 2019, is fairly stated, in all material respects.

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

May 26, 2022

  
Certified Public Accountants & Consultants  
North Little Rock, Arkansas

**SUMMARY OF AUDITOR'S RESULTS****FINANCIAL STATEMENTS**Type of auditor's report issued: Unmodified

Internal control over financial report:

Material weakness(es) identified?  Yes  NoSignificant deficiency(ies) identified not considered to be a material weakness(es)?  Yes  None reportedNoncompliance material to financial statements notes?  Yes  No**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?  Yes  NoSignificant deficiency(ies) identified not considered to be a material weakness(es)?  Yes  None reportedAny audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  None reported

Identification of major programs: No major programs

Type of auditor's report issued on compliance for major programs: Unmodified

Dollar threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance: \$750,000

Organization qualified as a low-risk auditee as that term is defined in the Uniform Guidance?  Yes  No

**Findings required to be reported by *Government Auditing Standards***

<b>Reference Number</b>	<b>Finding</b>
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None

**Findings required to be reported by the Uniform Guidance**

<b>Reference Number</b>	<b>Finding</b>	<b>Questioned Costs</b>
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Audit under Uniform Grant Guidance not required in fiscal year 2019.

**Findings required to be reported by Government Auditing Standards**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
None		

**Findings required to be reported by the Uniform Guidance**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
None		