

City of Prairie Grove, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PRAIRIE GROVE, ARKANSAS
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Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Prairie Grove, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2024; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; the Statement of Revenues, Expenditures, and Change in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended; and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Prairie Grove, Arkansas as of December 31, 2024; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Prairie Grove, Arkansas, as of December 31, 2024, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
February 9, 2026
LOM110424

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Prairie Grove, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated February 9, 2026. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2024-1, that we consider to be a material weakness.

2024-1: Arkansas Code requires management to maintain financial records. The City's financial records contained errors that were considered material as noted below:

The General Fund financial records contained misstatements in assets, liabilities, revenues, expenditures, other financing sources/uses, and note disclosures of \$169,879, 231,122, (\$6,605), \$488,317, (\$1,172,697), and \$181,308, respectively, due to posting errors and unrecorded transactions.

The Street Fund financial records contained misstatements in assets, revenues, expenditures, and note disclosures of \$5,846, \$23,461, \$17,615, and \$32,428, respectively, due to posting errors and unrecorded transactions.

The Other Funds in the Aggregate financial records contained misstatements in assets, liabilities, revenues, expenditures, other financing sources/uses, and note disclosures, of \$111,546, (\$105,866), \$249,240, \$59,120, \$265,244, and \$113,414 respectively, due to posting errors and unrecorded transactions.

The effect of these omissions/errors constitutes a control deficiency in the process of preparing financial statements. City management should implement procedures to ensure financial records are properly posted.

City management concurred with the above recommendations and has approved the appropriate entries to the City's accounting records.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Report on Internal Control over Financial Reporting section as item 2024-1.

We also reported to management of the City in a separate letter dated February 9, 2026.

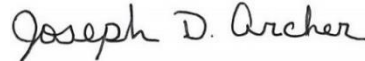
City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described previously. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
February 9, 2026

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The findings contained in this letter relate to the following officials who held office during 2024:

Mayor: David Faulk
Clerk/Treasurer: Christine Kelly (resigned October 14, 2024)
Bookkeeper: Lori Newman (hired November 13, 2024)
Clerk: Melissa Dodson (appointed October 21, 2024)
District Court Clerk: Rachel Guenther
Police Chief: Chris Workman

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

Mayor, Clerk/Treasurer, and Bookkeeper:

A fixed asset listing was provided; however, the listing did not include all additions, in noncompliance with Ark. Code Ann. § 14-59-107. We also noted in our testing of capital assets that disposals were not always properly authorized.

In our reconciliation of sales and use tax revenues to the state revenue confirmation report, we noted that the October 2024 sales tax revenue, totaling \$72,170 and allotted for a bond fund, was not deposited or receipted. Upon investigation, we learned the bank inadvertently deposited the revenues into an account not owned by the City and corrected the error in February 2025. The City's failure to reconcile trustee information timely resulted in this error going undetected.

Adjustments were made to the general ledger by an accountant who was not an employee of the City. No contract was made for the services provided by the outside accountant. Additionally, this individual was not provided a unique log in for CenterPoint but rather, used the login credentials of another City employee. Entries made by the outside accountant were not properly documented, reviewed, or approved by someone in the City.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Joseph D. Archer in black ink.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
February 9, 2026

CITY OF PRAIRIE GROVE, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2024

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,868,236	\$ 2,298,560	\$ 5,525,007
Investments			342,908
Accounts receivable	240,656	60,761	335,942
Interfund receivables	119,524	61,333	36,962
TOTAL ASSETS	\$ 3,228,416	\$ 2,420,654	\$ 6,240,819
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 212,547	\$ 30,250	\$ 62,284
Interfund payables	107,445		110,374
Settlements pending	11,575	515,961	17,241
Total Liabilities	331,567	546,211	189,899
Fund Balances:			
Restricted			5,942,989
Assigned	1,662,358	1,874,443	107,931
Unassigned	1,234,491		
Total Fund Balances	2,896,849	1,874,443	6,050,920
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,228,416	\$ 2,420,654	\$ 6,240,819

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

CITY OF PRAIRIE GROVE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 143,383	\$ 579,316	\$ 122,414
Federal aid	27,741		323,475
Property taxes	674,469	72,874	
Franchise fees	406,269		
Sales taxes	1,491,494	683,320	2,767,030
Fines, forfeitures, and costs	173,708		39,731
Interest	62,302	63,670	279,962
Local permits and fees	364,584		122,100
Sanitation fees	544,610		
Aquatics and ballpark	293,280		
County aid	276,026		
School resource officer reimbursement	132,224		
Drug task force reimbursement	31,915		
Arkansas National Resource Commission Wastewater Grant (ARPA)			2,704,145
Net increase/(decrease) in fair value of investments			18,004
Other	183,031	5,108	105,248
	<u>4,805,036</u>	<u>1,404,288</u>	<u>6,482,109</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	1,071,049		940
Law enforcement	917,211		1,934,475
Highways and streets	9,684	2,776,115	2,976,674
Public safety	93,071		627,396
Sanitation	841,092		
Recreation and culture	707,585		495,267
Wastewater			897,825
Water			1,040,724
Total Current	<u>3,639,692</u>	<u>2,776,115</u>	<u>7,973,301</u>
Debt Service:			
Bond principal			1,605,000
Bond interest and other charges			334,510
	<u>3,639,692</u>	<u>2,776,115</u>	<u>9,912,811</u>
TOTAL EXPENDITURES			

CITY OF PRAIRIE GROVE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,165,344</u>	<u>\$ (1,371,827)</u>	<u>\$ (3,430,702)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			1,367,375
Transfers out	(1,367,375)		
Contribution to water department	<u>(10,431)</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,377,806)</u>		<u>1,367,375</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(212,462)	(1,371,827)	(2,063,327)
FUND BALANCES - JANUARY 1	<u>3,109,311</u>	<u>3,246,270</u>	<u>8,114,247</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,896,849</u>	<u>\$ 1,874,443</u>	<u>\$ 6,050,920</u>

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

CITY OF PRAIRIE GROVE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 169,612	\$ 143,383	\$ (26,229)	\$ 571,153	\$ 579,316	\$ 8,163
Federal aid	18,462	27,741	9,279	7,039		(7,039)
Property taxes	670,685	674,469	3,784	73,998	72,874	(1,124)
Franchise fees	390,875	406,269	15,394			
Sales taxes	1,550,349	1,491,494	(58,855)	621,281	683,320	62,039
Fines, forfeitures, and costs	49,477	173,708	124,231			
Interest	37,564	62,302	24,738	63,670	63,670	0
Local permits and fees	356,659	364,584	7,925			
Sanitation fees	546,135	544,610	(1,525)			
Aquatics and ballpark	296,280	293,280	(3,000)			
County aid	224,240	276,026	51,786			
School resource officer reimbursement	135,000	132,224	(2,776)			
Drug task force reimbursement	96,069	31,915	(64,154)			
Other	224,677	183,031	(41,646)	66,968	5,108	(61,860)
TOTAL REVENUES	4,766,084	4,805,036	38,952	1,404,109	1,404,288	179
EXPENDITURES						
Current:						
General government	1,397,486	1,071,049	326,437			
Law enforcement	806,001	917,211	(111,210)			
Highways and streets		9,684	(9,684)	3,012,960	2,776,115	236,845
Public safety	73,602	93,071	(19,469)			
Sanitation	892,844	841,092	51,752			
Recreation and culture	716,538	707,585	8,953			
TOTAL EXPENDITURES	3,886,471	3,639,692	246,779	3,012,960	2,776,115	236,845

CITY OF PRAIRIE GROVE, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 879,613	\$ 1,165,344	\$ 285,731	\$ (1,608,851)	\$ (1,371,827)	\$ 237,024
OTHER FINANCING SOURCES (USES)						
Transfers in	85,000		(85,000)	30,000		(30,000)
Transfers out	(805,124)	(1,367,375)	(562,251)	(75,988)		75,988
Contribution to water department		(10,431)	(10,431)			
TOTAL OTHER FINANCING SOURCES (USES)	(720,124)	(1,377,806)	(657,682)	(45,988)		45,988
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	159,489	(212,462)	(371,951)	(1,654,839)	(1,371,827)	283,012
FUND BALANCES - JANUARY 1		3,109,311	3,109,311		3,246,270	3,246,270
FUND BALANCES - DECEMBER 31	\$ 159,489	\$ 2,896,849	\$ 2,737,360	\$ (1,654,839)	\$ 1,874,443	\$ 3,529,282

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

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Prairie Grove was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Water and Sewer. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. Basis of Presentation – Regulatory

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and street fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general and street funds; notes to financial statements; and a supplemental schedule of capital assets.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Street Fund - The Street Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Street Fund accounts for and reports the proceeds of state highway turnback, sales taxes, and property taxes that are restricted or committed for maintaining and constructing highways and streets.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street Funds. The following types of funds are included in this column as follows:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

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

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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

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

C. Basis of Accounting – Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand, savings, and money market accounts, and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered sanitation deposits and sidewalk escrow to be refunded upon contract fulfillment, and fines, forfeitures, and costs, that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

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

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year but are not considered delinquent until after October 15. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

F. Budget Law

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds.

G. Fund Balance Classification Policies and Procedures

The Municipality's highest level of decision-making authority is its City Council. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Municipality does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

There were no committed fund balances at year-end.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,054,412	\$ 1,054,413
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	5,205,153	5,582,936
Uninsured and uncollateralized	4,431,863	4,431,863
Total Deposits	\$ 10,691,428	\$ 11,069,212

The above total deposits do not include cash on hand of \$375.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At December 31, 2024, the City had \$4,431,863 of uninsured, uncollateralized bank deposits that were exposed to custodial credit risk. The balance exposed to custodial credit risk was deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

Pension Trust Funds

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2024 Fair Value
Firemens Pension Trust	\$ 342,908

CITY OF PRAIRIE GROVE, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024

NOTE 4: Public Fund Investments (Continued)

Investments are reported at fair value. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

The City’s investments are composed of the following:

<u>December 31, 2024</u>	Quoted Prices in Active Markets for Identical Investments Level I
Investment Type	Level I
Mutual funds	\$ 342,908

The fair value of mutual funds are measured on a recurring basis and are based on quoted marked prices obtained from independent pricing sources, and are classified as Level I inputs.

Ark. Code Ann. § 24-11-216 authorizes the Firemen’s Pension Board of Trustees and Policemen’s Pension Board of Trustees to have pull power to invest and reinvest monies in accordance with the rules promulgated by the Arkansas Fire and Police Pension Review Board.

The code also states the Boards shall establish written investment policies to incorporate a rate of return that is at least equal to the rate of return of one-year United States Treasury notes. The asset allocation guidelines have been established as follows:

Investment Target Allocations

<u>Asset Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
Firemen's Pension		
Total equity	0.0%	50.0%
Fixed income	25.0%	75.0%
Cash equivalents	4.0%	12.0%

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Franchise fees	\$ 90,833		
Sales taxes	133,161	\$ 60,761	\$ 323,580
Fines, forfeitures, and costs	8,159		1,864
County aid	7,779		
Other	724		10,498
Totals	<u>\$ 240,656</u>	<u>\$ 60,761</u>	<u>\$ 335,942</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 212,547</u>	<u>\$ 30,250</u>	<u>\$ 62,284</u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2024	
	Interfund Receivables	Interfund Payables
General Fund	\$ 119,524	\$ 107,445
Street Fund	61,333	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Police and Fire Payroll	36,962	110,374
Totals	<u>\$ 217,819</u>	<u>\$ 217,819</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans related to payroll. These balances are expected to be repaid in the subsequent period.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2024, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 107,376
Law enforcement			100,560
Recreation and culture			699,851
Pension benefits			355,180
Capital outlay			2,749,729
Debt service			1,930,293
Total Restricted			<u>5,942,989</u>
Assigned to:			
General government	\$ 986,248		
Law enforcement			46,007
Highways and streets		\$ 1,874,443	
Public safety			61,924
Sanitation	474,427		
Recreation and culture	201,683		
Total Assigned	<u>1,662,358</u>	<u>1,874,443</u>	<u>107,931</u>
Unassigned	<u>1,234,491</u>		
Totals	<u>\$ 2,896,849</u>	<u>\$ 1,874,443</u>	<u>\$ 6,050,920</u>

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2024, the legal debt limit for the bonded debt was \$27,931,063. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2024, the legal debt limit for short-term financing obligations was \$7,255,910. There were no short-term financing obligations.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2024:

	December 31, 2024
Long-term liabilities	\$ 15,721,495
Construction contracts	<u>4,670,018</u>
Total Commitments	<u>\$ 20,391,513</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2024, are comprised of the following:

	December 31, 2024
<u>Bonds</u>	
2021A Sales and Use Tax Refunding Bonds dated June 23, 2021, for refunding the 2012 Sales and Use Tax Bonds, and financing the cost of capital improvements; principal amount of \$8,265,000, due in installments of \$210,000-\$365,000, beginning December 1, 2021 through June 1, 2048, interest at .75% - 3.0%. Payments are to be made from the Arkansas Sales and Use Tax Refunding Bonds, Series 2021A Debt Service Fund and are secured by pledging a 3/4% sales tax.	\$ 6,530,000
2021B Sales and Use Tax Bonds dated June 23, 2021, for financing the cost of capital improvements; principal amount of \$10,895,000, due in installments of \$265,000 - \$480,000, beginning December 1, 2021 through June 1, 2048, with interest at 1.0% - 3.0%. Payments are to be made from the Arkansas Sales and Use Tax Bonds, Series 2021B Debt Service Fund and are secured by pledging a 1% sales tax.	8,610,000
Total Bonds	15,140,000
Arkansas District Judge's Retirement unfunded pension liability - unfunded liability of the former local retirement plan for district judges and clerks, payable to the Arkansas Public Employees Retirement System.	179,741
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	401,754
Total Long-term liabilities	\$ 15,721,495

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

The City's outstanding bonds payable of \$15,140,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	\$ 345,722
Ending balance compensated absences	401,754
Net increase (decrease)	\$ 56,032

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2024	Maturities to December 31, 2024
<u>Bonds</u>					
6/23/21	6/1/48	0.75-3.0%	\$ 8,265,000	\$ 6,530,000	\$ 1,735,000
6/23/21	6/1/48	1.0-3.0%	10,895,000	8,610,000	2,285,000
Total Long-Term Debt			<u>\$ 19,160,000</u>	<u>\$ 15,140,000</u>	<u>\$ 4,020,000</u>

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Bonds payable	\$ 16,745,000	\$ 0	\$ 1,605,000	\$ 15,140,000

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2024:

Years Ending December 31,	Bonds		
	Principal	Interest	Total
2025	\$ 500,000	\$ 305,143	\$ 805,143
2026	515,000	294,783	809,783
2027	520,000	286,567	806,567
2028	530,000	280,374	810,374
2029	540,000	271,661	811,661
2030 through 2034	2,850,000	1,190,806	4,040,806
2035 through 2039	3,150,000	885,666	4,035,666
2040 through 2044	3,510,000	516,674	4,026,674
2045 through 2048	3,025,000	111,416	3,136,416
Totals	<u>\$ 15,140,000</u>	<u>\$ 4,143,090</u>	<u>\$ 19,283,090</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2024:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2024
Stormwater Infrastructure Improvements	January 2025	\$ 113,102
Viney Grove Road Improvements	February 2025	5,000
Wastewater Treatment Facility Expansion	May 2025	413,933
Waterline Replacements	January 2025	245,159
Police Department Renovations and Addition	September 2025	994,044
SS - 24" Gravity Main to WWTP	November 2026	2,898,780
Total Construction Contracts		<u>\$ 4,670,018</u>

NOTE 11: Interfund Transfers

The General Fund transferred \$250,000 to Other Funds in the Aggregate's Local Police and Fire Retirement (LOPFI) to supplement operations, and \$1,117,375 to Other Funds in the Aggregate's Police and Fire Payroll to supplement payroll.

NOTE 12: Pledged Revenues

The City pledged future 3/4% sales and use taxes to repay \$8,265,000 in bonds that were issued in 2021 to provide funding for street, park, and drainage improvements and to refund the 2012 Series bonds that were issued for financing street, water, sewer, and drainage improvements. Total principal and interest remaining on the bonds at December 31, 2024, are \$6,530,000 and \$1,792,086, respectively, payable through June 1, 2048. For 2024, principal and interest paid were \$700,000 and \$136,470, respectively.

The Debt Service Fund received \$830,109 in sales taxes in 2024. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for early retirement of the bonds until they are repaid.

The City pledged future 1% sales and use taxes to repay \$10,895,000 in bonds that were issued in 2021 to provide funding for improvements to the fire department and water and sewer infrastructure. Total principal and interest remaining on the bonds at December 31, 2024, are \$8,610,000 and \$2,351,004, respectively, payable through June 1, 2048. For 2024, principal and interest paid were \$905,000 and \$190,410, respectively.

The Debt Service Fund received \$1,106,812 in sales taxes in 2024. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for early retirement of the bonds until they are repaid.

NOTE 13: Joint Venture - Washington County Regional Ambulance Authority

Washington County and the Cities of Elkins, Fayetteville, Farmington, Goshen, Greenland, Lincoln, Prairie Grove, West Fork, Winslow, and Johnson entered into an agreement, on March 21, 2008, pursuant to Ark. Code Ann. §§ 14-14-910, 14-266-102, and 25-20-101 to establish the Washington County Regional Ambulance Authority (Authority). The purpose of the Authority is to provide emergency and non-emergency medical services. The City paid the Authority \$73,602 during 2024.

NOTE 14: Jointly Governed Organization - Fourth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourth Judicial District, the Washington County Sheriff's Department, Madison County Sheriff's Department, and the Police Departments of the University of Arkansas, Fayetteville, Springdale, Prairie Grove, Lincoln, Farmington, Johnson, Elkins, Greenland, West Fork, Elm Springs, Tontitown, Huntsville, and Goshen entered into an agreement to establish the Fourth Judicial District Drug Task Force (Task Force). Funding was provided through Justice Assistance Grants and local funding provided by the Prosecuting Attorney's Office, Washington County Sheriff's Department, and local police departments. Separate financial statements for the Task Force were not available. The City did not contribute any funding to the Task Force during 2024.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 15: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

Municipal Vehicle Program

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed, or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first \$3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 16: Firemen's Pension and Relief Plan

Plan Description

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

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was \$0 for the year ended December 31, 2024. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. Based on the December 31, 2024, actuarial valuation, the plan has no net pension liability.

Deferred Retirement Option Plan

The local firemen's pension and relief board of trustees approved the participation in the Arkansas Fire Fighter's Deferred Retirement Option Plan (DROP). Any full-paid fire fighter who is a member of the firemen's pension and relief fund who has at least 20 years of credited service and who is eligible to receive a service retirement pension may elect to participate in the plan. The duration of participation shall not exceed 5 years, except in certain circumstances as allowed by law.

When a member begins participation in the DROP, the contribution of the fire fighter and the employer contribution shall continue to be paid. Municipal matching contributions for employees who elect the DROP shall be credited equally to the firemen's pension and relief fund and to the deferred retirement plan. The monthly retirement benefits that would have been due had the member elected to cease employment and receive a service retirement shall be paid into the DROP account.

At the end of the five years, the participant has certain options regarding the method of payment.

At the conclusion of the member's participation, the member shall terminate employment with all participating municipalities as a fire fighter and start receiving the member's accrued monthly retirement benefit from the firemen's pension and relief fund.

**NOTE 17: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3rd, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website www.lopfi-prb.com.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 17: Local Police and Fire Retirement System (LOPFI) (Continued)
(A Defined Benefit Pension Plan)

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$369,866 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$151,266 for the year ended December 31, 2024.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2024, (actuarial valuation date and measurement date) was \$2,639,278.

NOTE 18: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.75% as of July 1, 2024. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2024, (date of APERS Employer Allocation Report) was \$272,964.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2024, (actuarial valuation date and measurement date) was \$1,951,496.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 19: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayor Charles Hudson \$30,000 for the year ended December 31, 2024.

NOTE 20: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurer Carol Pair \$900 for the year ended December 31, 2024.

NOTE 21: Settlements Pending – Sidewalk Construction

The City requires real estate developers to provide a refundable good faith bond when constructing sidewalks in new residential subdivisions within the City. These bonds are refundable when sidewalks are completed at no expense to the City. Since 2022, the City has received several large bonds due to the increase in residential construction. The settlements pending at December 31, 2024, was \$515,961.

CITY OF PRARIE GROVE, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2024

Schedule 1

	SPECIAL REVENUE FUNDS							
	Local Police and Fire Retirement (LOPFI)	Parks and Library Operations	District Court Automation	Police and Fire Payroll	Jail Fees	American Rescue Plan Act	Police Impact Fees	Fire Impact Fees
ASSETS								
Cash and cash equivalents	\$ 5,943	\$ 675,416	\$ 88,349	\$ 12,632	\$ 11,130	\$ 168,171	\$ 40,064	\$ 61,924
Investments								
Accounts receivable		25,141	1,864	60,780				
Interfund receivables				36,962				
TOTAL ASSETS	\$ 5,943	\$ 700,557	\$ 90,213	\$ 110,374	\$ 11,130	\$ 168,171	\$ 40,064	\$ 61,924
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 706	\$ 783			\$ 60,795		
Interfund payables				\$ 110,374				
Settlements pending								
Total Liabilities		706	783	110,374		60,795		
Fund Balances:								
Restricted		699,851	89,430		\$ 11,130	107,376		
Assigned	\$ 5,943						\$ 40,064	\$ 61,924
Total Fund Balances	5,943	699,851	89,430		11,130	107,376	40,064	61,924
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,943	\$ 700,557	\$ 90,213	\$ 110,374	\$ 11,130	\$ 168,171	\$ 40,064	\$ 61,924

CITY OF PRARIE GROVE, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2024

Schedule 1

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS		TRUST FUND	CUSTODIAL FUND	
	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Refunding Bonds, Series 2021B	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Refunding Bonds, Series 2021B	Firemen's Pension	District Court	Totals
ASSETS							
Cash and cash equivalents	\$ 8,014	\$ 2,741,715	\$ 629,026	\$ 1,053,110	\$ 12,272	\$ 17,241	\$ 5,525,007
Investments					342,908		342,908
Accounts receivable			147,593	100,564			335,942
Interfund receivables							36,962
TOTAL ASSETS	\$ 8,014	\$ 2,741,715	\$ 776,619	\$ 1,153,674	\$ 355,180	\$ 17,241	\$ 6,240,819
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 62,284
Interfund payables							110,374
Settlements pending						\$ 17,241	17,241
Total Liabilities						17,241	189,899
Fund Balances:							
Restricted	\$ 8,014	\$ 2,741,715	\$ 776,619	\$ 1,153,674	\$ 355,180		5,942,989
Assigned							107,931
Total Fund Balances	8,014	2,741,715	776,619	1,153,674	355,180		6,050,920
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,014	\$ 2,741,715	\$ 776,619	\$ 1,153,674	\$ 355,180	\$ 17,241	\$ 6,240,819

CITY OF PRARIE GROVE, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS							
	Local Police and Fire Retirement (LOPFI)	Parks and Library Operations	District Court Automation	Police and Fire Payroll	Jail Fees	American Rescue Plan Act	Police Impact Fees	Fire Impact Fees
REVENUES								
State aid		\$ 119,699						
Federal aid								
Sales taxes		276,703		\$ 553,406				
Fines, forfeitures, and costs	\$ 6,611		\$ 26,055		\$ 7,065			
Interest	603	9,961	1,519	403	126	\$ 13,208	\$ 415	\$ 516
Local permits and fees							60,775	61,325
Arkansas National Resource Commission Wastewater Grant (ARPA)								
Net increase/(decrease) in fair value of investments								
Other		94,750		10,498				
TOTAL REVENUES	7,214	501,113	27,574	564,307	7,191	13,208	61,190	61,841
EXPENDITURES								
Current:								
General government	51			889				
Law enforcement	192,063		24,465	1,187,352		509,386	21,209	
Highways and streets								
Public safety	60,000			493,441				
Recreation and culture		171,792						
Wastewater						383,649		
Water								
Total Current	252,114	171,792	24,465	1,681,682		893,035	21,209	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	252,114	171,792	24,465	1,681,682		893,035	21,209	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(244,900)	329,321	3,109	(1,117,375)	7,191	(879,827)	39,981	61,841
OTHER FINANCING SOURCES (USES)								
Transfers in	250,000			1,117,375				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,100	329,321	3,109		7,191	(879,827)	39,981	61,841
FUND BALANCES - JANUARY 1	843	370,530	86,321		3,939	987,203	83	83
FUND BALANCES - DECEMBER 31	\$ 5,943	\$ 699,851	\$ 89,430	\$ 0	\$ 11,130	\$ 107,376	\$ 40,064	\$ 61,924

CITY OF PRARIE GROVE, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		TRUST FUND	Totals
	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Bonds, Series 2021B	Senior Center Project Fund	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Bonds, Series 2021B	Firemen's Pension	
REVENUES							
State aid						\$ 2,715	\$ 122,414
Federal aid			\$ 323,475				323,475
Sales taxes				\$ 830,109	\$ 1,106,812		2,767,030
Fines, forfeitures, and costs							39,731
Interest	\$ 71,883	\$ 86,483		30,689	48,150	16,006	279,962
Local permits and fees							122,100
Arkansas National Resource Commission Wastewater Grant (ARPA)		2,704,145					2,704,145
Net increase/(decrease) in fair value of investments						18,004	18,004
Other							105,248
TOTAL REVENUES	71,883	2,790,628	323,475	860,798	1,154,962	36,725	6,482,109
EXPENDITURES							
Current:							
General government							940
Law enforcement							1,934,475
Highways and streets	2,976,674						2,976,674
Public safety		48,707				25,248	627,396
Recreation and culture			323,475				495,267
Wastewater		514,176					897,825
Water		1,040,724					1,040,724
Total Current	2,976,674	1,603,607	323,475			25,248	7,973,301
Debt Service:							
Bond principal				700,000	905,000		1,605,000
Bond interest and other charges				140,150	194,360		334,510
TOTAL EXPENDITURES	2,976,674	1,603,607	323,475	840,150	1,099,360	25,248	9,912,811
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,904,791)	1,187,021		20,648	55,602	11,477	(3,430,702)
OTHER FINANCING SOURCES (USES)							
Transfers in							1,367,375
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,904,791)	1,187,021		20,648	55,602	11,477	(2,063,327)
FUND BALANCES - JANUARY 1	2,912,805	1,554,694		755,971	1,098,072	343,703	8,114,247
FUND BALANCES - DECEMBER 31	\$ 8,014	\$ 2,741,715	\$ 0	\$ 776,619	\$ 1,153,674	\$ 355,180	\$ 6,050,920

CITY OF PRAIRIE GROVE, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2024

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

<u>Fund Name</u>	<u>Fund Description</u>
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Parks and Library Operations	Prairie Grove Ordinance no. 1998-16 (September 28, 1998) established the Parks and Library Operations Fund to account for a 1/4% sales tax levy approved by the voters on November 3, 1998.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
Police and Fire Payroll	Prairie Grove Ordinance no. 2018-13 (July 16, 2018) established the Police and Fire Payroll Fund to account for a 1/2% sales tax levy approved by the voters on November 6, 2018.
Jail Fees	Prairie Grove Ordinance 2019-35 (November 18, 2019) established a Jail Fee Fund in accordance with Ark. Code Ann. § 16-17-129.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Police Impact Fees	Prairie Grove Ordinance no. 2023-20 (October 16, 2023) established a Police Impact Fees Fund to help fund Police & Fire Protection expenditures reasonably attributable to the use and occupancy of development.
Fire Impact Fees	Prairie Grove Ordinance no. 2023-20 (October 16, 2023) established a Fire Impact Fees Fund to help fund Police & Fire Protection expenditures reasonably attributable to the use and occupancy of development.
Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Prairie Grove Ordinance 2021-12 (May 17, 2021) authorized the issuance of refunding and improvement sales tax bonds to refinance the Series 2012 bonds, and to finance all or a portion of the cost of improvements to existing streets, park facilities and equipment, and improvements to drainage and flood control infrastructure and related equipment.
Arkansas Sales and Use Tax Bonds, Series 2021B	Prairie Grove Ordinance 2021-13 (May 17, 2021) authorized the issuance of sales tax bonds to finance all or a portion of the cost of improvements to fire apparatus and equipment, improvements and betterments to the City water system, and improvements and betterments to the City sewer system.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

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

<u>Fund Name</u>	<u>Fund Description</u>
Senior Center Project Fund	Established to receive Community Development Block Grant reimbursement funds, funded through the U.S. Department of Housing and Urban Development, to support the renovation of the Prairie Grove Senior Center.
Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Established by bond indenture to account for the accumulation of resources to be used for the payment of long term debt principal, interest, and fiscal agent fees for Series 2021A Arkansas Sales and Use Tax Refunding Bond issue.
Arkansas Sales and Use Tax Bonds, Series 2021B	Established by bond indenture to account for the accumulation of resources to be used for the payment of long term debt principal, interest, and fiscal agent fees for Series 2021B Arkansas Sales and Use Tax Bond issue.
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

CITY OF PRAIRIE GROVE, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2024
(Unaudited)

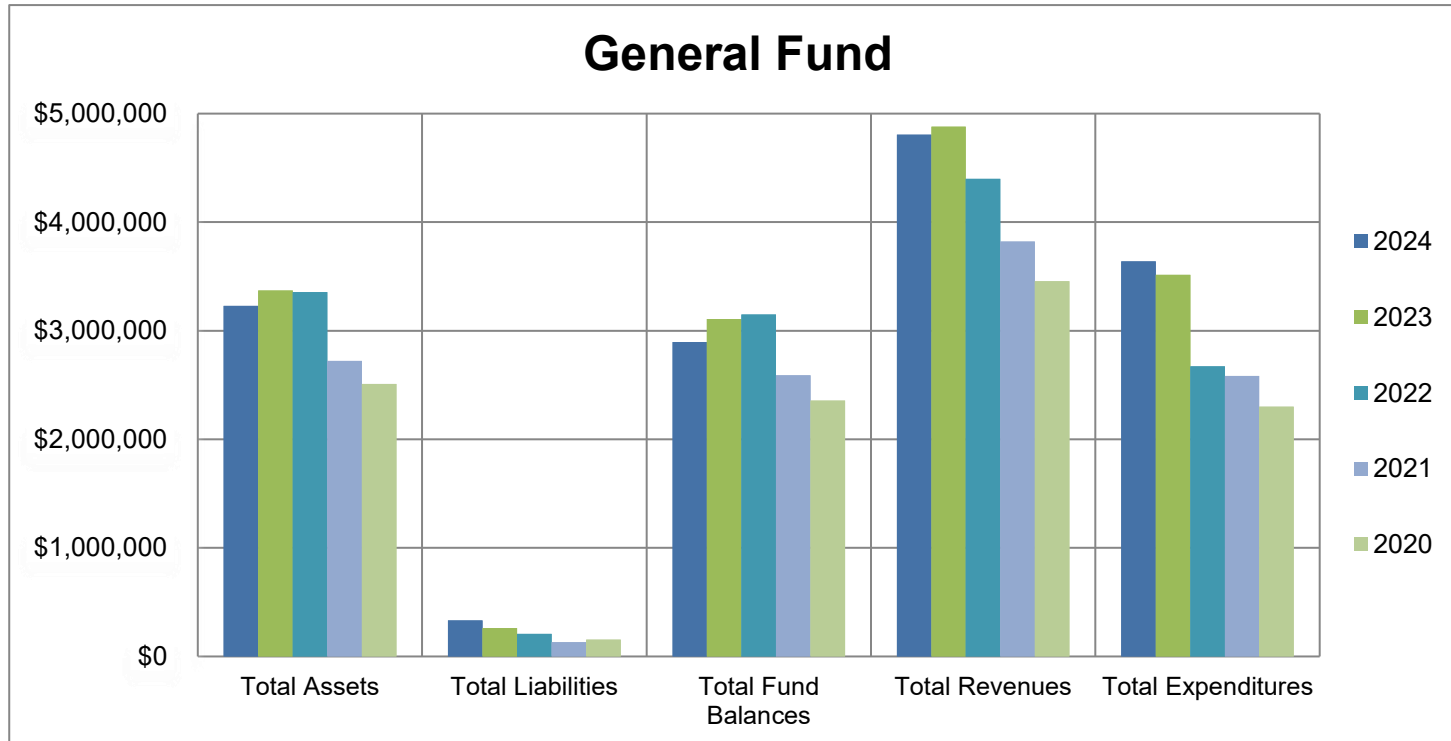
Schedule 3

	December 31, 2024
Land	\$ 666,383
Buildings	6,323,869
Equipment	3,616,612
Construction in progress	<u>21,269,013</u>
Total	<u>\$ 31,875,877</u>

CITY OF PRAIRIE GROVE, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2024
 (Unaudited)

Schedule 4-1

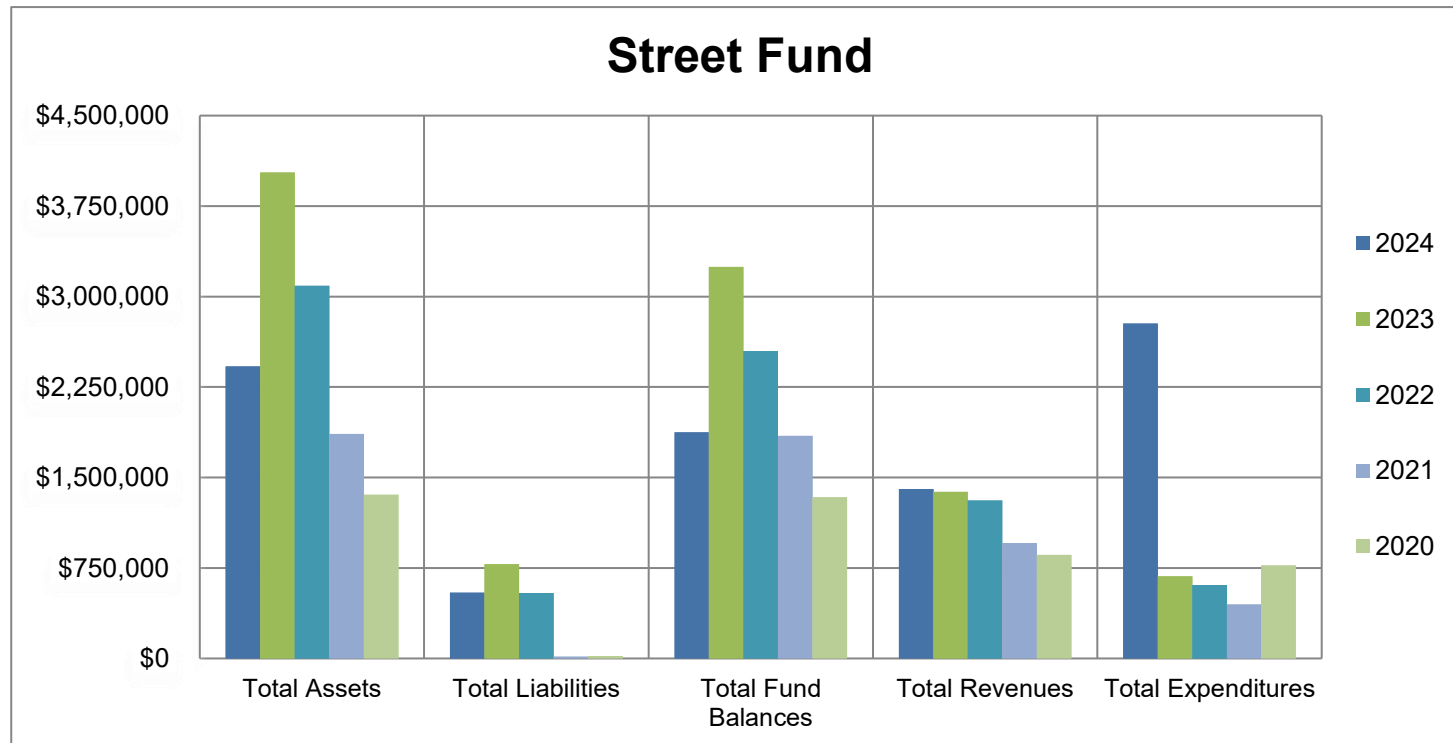
<u>General</u>	2024	2023	2022	2021	2020
Total Assets	\$ 3,228,416	\$ 3,369,965	\$ 3,356,885	\$ 2,721,444	\$ 2,510,836
Total Liabilities	331,567	260,654	206,621	130,834	155,338
Total Fund Balances	2,896,849	3,109,311	3,150,264	2,590,610	2,355,498
Total Revenues	4,805,036	4,881,041	4,398,637	3,820,875	3,455,331
Total Expenditures	3,639,692	3,513,996	2,670,718	2,585,021	2,299,392
Total Other Financing Sources/Uses	(1,377,806)	(1,407,998)	(1,168,265)	(1,000,742)	(950,282)



CITY OF PRAIRIE GROVE, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2024
 (Unaudited)

Schedule 4-2

<u>Street</u>	2024	2023	2022	2021	2020
Total Assets	\$ 2,420,654	\$ 4,028,619	\$ 3,088,826	\$ 1,860,248	\$ 1,356,176
Total Liabilities	546,211	782,349	541,977	14,502	19,702
Total Fund Balances	1,874,443	3,246,270	2,546,849	1,845,746	1,336,474
Total Revenues	1,404,288	1,380,008	1,308,870	956,828	859,326
Total Expenditures	2,776,115	680,587	607,767	447,556	770,505
Total Other Financing Sources/Uses					



CITY OF PRAIRIE GROVE, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2024
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2024	2023	2022	2021	2020
Total Assets	\$ 6,240,819	\$ 9,673,118	\$ 15,747,170	\$ 18,469,259	\$ 1,688,428
Total Liabilities	189,899	1,558,871	91,412	60,485	48,323
Total Fund Balances	6,050,920	8,114,247	15,655,758	18,408,774	1,640,105
Total Revenues	6,482,109	3,352,740	3,372,745	2,854,377	2,013,105
Total Expenditures	9,912,811	12,302,249	7,294,026	5,090,708	3,054,177
Total Other Financing Sources/Uses	1,367,375	1,407,998	1,168,265	19,005,000	880,543

