

**City of Pea Ridge, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2022 and 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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



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

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Independent Auditor's Report

City of Pea Ridge, 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 Pea Ridge, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2022 and 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

##### **Unmodified Opinions on Regulatory Basis of Accounting**

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Pea Ridge, Arkansas as of December 31, 2022 and 2021; the regulatory basis revenues, expenditures, and changes in net position; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

##### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Pea Ridge, Arkansas, as of December 31, 2022 and 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

##### **Basis for Opinions**

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

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

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

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

##### **Emphases of Matter**

As discussed in Note 1 to the financial statements, in 2021 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the City would have included other funds 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, these funds are 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. 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 September 25, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
September 25, 2023  
LOM119422

# Arkansas



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

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

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

City of Pea Ridge, 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 Pea Ridge, Arkansas (City), as of and for the years ended December 31, 2022 and 2021, 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 September 25, 2023. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

### Report on Internal Control Over Financial Reporting

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

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

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

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, 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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the City in a separate letter dated September 25, 2023.

### **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

A handwritten signature in black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
September 25, 2023

# Arkansas



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

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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

City of Pea Ridge, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2022 and 2021:

Mayor: Jackie Crabtree  
Clerk/Treasurer: Sandy Button  
District Court Clerk: Sandy Button  
Police Chief: Lynn Hahn

No issues came to our attention that we considered necessary to report to management.

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 Timothy R. Jones in black ink.

Timothy R. Jones, CPA, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
September 25, 2023



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

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,011,044	\$ 201,997	\$ 5,156,695
Accounts receivable	409,647	60,327	122,288
	<u>4,420,691</u>	<u>262,324</u>	<u>5,278,983</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,420,691</u></b>	<b><u>\$ 262,324</u></b>	<b><u>\$ 5,278,983</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 43,602	\$ 30,505	
Settlements pending		2,000	\$ 217,130
Total Liabilities	<u>43,602</u>	<u>32,505</u>	<u>217,130</u>
Fund Balances:			
Restricted	1,018,084	229,819	3,846,126
Committed			1,215,727
Assigned	287,699		
Unassigned	<u>3,071,306</u>		
Total Fund Balances	<u>4,377,089</u>	<u>229,819</u>	<u>5,061,853</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 4,420,691</u></b>	<b><u>\$ 262,324</u></b>	<b><u>\$ 5,278,983</u></b>

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

CITY OF PEA RIDGE, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 222,877	\$ 566,282	\$ 27,511
Federal aid	8,548		643,396
Property taxes	455,588	94,050	
Franchise fees	162,094		162,200
Sales taxes	3,740,522	598,129	369,969
Fines, forfeitures, and costs	134,873	3,573	
Interest	5,222	254	42,823
Local permits and fees	525,962		558,737
EMS calls	246,214		
Fire assessments	195,128		
EMS county funding	98,800		
Contributions from Pea Ridge Schools	161,046		
Grant income	60,795		
Other	120,320	17,709	18
	<u>6,137,989</u>	<u>1,279,997</u>	<u>1,804,654</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	804,348		173,507
Law enforcement	1,162,232		1,336,740
Highways and streets		1,130,174	2,499,308
Public safety	1,582,936		45,851
Recreation and culture	241,930		34,436
Total Current	<u>3,791,446</u>	<u>1,130,174</u>	<u>4,089,842</u>
Debt Service:			
Bond principal			124,549
Bond interest and other charges			119,549
Financed purchases principal	73,783	23,621	
Financed purchases interest	4,732	3,422	
	<u>3,869,961</u>	<u>1,157,217</u>	<u>4,333,940</u>
TOTAL EXPENDITURES			

CITY OF PEA RIDGE, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,268,028</u>	<u>\$ 122,780</u>	<u>\$ (2,529,286)</u>
OTHER FINANCING SOURCES (USES) Construction bond proceeds			<u>5,800,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,268,028	122,780	3,270,714
FUND BALANCES - JANUARY 1	<u>2,109,061</u>	<u>107,039</u>	<u>1,791,139</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 4,377,089</u></u>	<u><u>\$ 229,819</u></u>	<u><u>\$ 5,061,853</u></u>

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

CITY OF PEA RIDGE, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 98,000	\$ 222,877	\$ 124,877	\$ 567,000	\$ 566,282	\$ (718)
Federal aid		8,548	8,548			
Property taxes	445,000	455,588	10,588	94,000	94,050	50
Franchise fees	270,000	162,094	(107,906)			
Sales taxes	3,530,000	3,740,522	210,522	631,600	598,129	(33,471)
Fines, forfeitures, and costs	150,000	134,873	(15,127)	8,000	3,573	(4,427)
Interest		5,222	5,222		254	254
Local permits and fees	551,000	525,962	(25,038)			
EMS calls	250,000	246,214	(3,786)			
Fire assessments	196,000	195,128	(872)			
EMS county funding	98,800	98,800	0			
Contributions from Pea Ridge Schools	161,100	161,046	(54)			
Grant income	60,795	60,795	0			
Other	720,351	120,320	(600,031)	14,000	17,709	3,709
<b>TOTAL REVENUES</b>	<b>6,531,046</b>	<b>6,137,989</b>	<b>(393,057)</b>	<b>1,314,600</b>	<b>1,279,997</b>	<b>(34,603)</b>
EXPENDITURES						
Current:						
General government	2,161,740	804,348	1,357,392			
Law enforcement	2,219,044	1,162,232	1,056,812			
Highways and streets				1,815,600	1,130,174	685,426
Public safety	1,632,100	1,582,936	49,164			
Recreation and culture	270,640	241,930	28,710			
Total Current	6,283,524	3,791,446	2,492,078	1,815,600	1,130,174	685,426
Debt Service:						
Financed purchase principal	50,194	73,783	(23,589)		23,621	(23,621)
Financed purchase interest		4,732	(4,732)		3,422	(3,422)
<b>TOTAL EXPENDITURES</b>	<b>6,333,718</b>	<b>3,869,961</b>	<b>2,463,757</b>	<b>1,815,600</b>	<b>1,157,217</b>	<b>658,383</b>

CITY OF PEA RIDGE, ARKANSAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 197,328	\$ 2,268,028	\$ 2,070,700	\$ (501,000)	\$ 122,780	\$ 623,780
OTHER FINANCING SOURCES (USES)						
Transfers in	2,647,672		(2,647,672)	500,000		(500,000)
Transfers out	(2,845,000)		2,845,000			
TOTAL OTHER FINANCING SOURCES (USES)	(197,328)		197,328	500,000		(500,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		2,268,028	2,268,028	(1,000)	122,780	123,780
FUND BALANCES - JANUARY 1	526,328	2,109,061	1,582,733	176,802	107,039	(69,763)
FUND BALANCES - DECEMBER 31	\$ 526,328	\$ 4,377,089	\$ 3,850,761	\$ 175,802	\$ 229,819	\$ 54,017

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

CITY OF PEA RIDGE, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2021

Exhibit A-1

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,864,832	\$ 212,630	\$ 1,892,756
Accounts receivable	321,095	55,026	
	<u>2,185,927</u>	<u>267,656</u>	<u>1,892,756</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 76,866	\$ 157,217	\$ 7,454
Settlements pending		3,400	94,163
Total Liabilities	<u>76,866</u>	<u>160,617</u>	<u>101,617</u>
Fund Balances:			
Restricted		107,039	744,017
Committed			1,047,122
Assigned	223,463		
Unassigned	1,885,598		
Total Fund Balances	<u>2,109,061</u>	<u>107,039</u>	<u>1,791,139</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>			
	<u>\$ 2,185,927</u>	<u>\$ 267,656</u>	<u>\$ 1,892,756</u>

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

CITY OF PEA RIDGE, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B-1

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 88,463	\$ 430,602	\$ 25,245
Federal aid	8,149		643,404
Property taxes	420,639	79,945	
Franchise fees	101,392		162,200
Sales taxes	2,320,897	504,236	
Fines, forfeitures, and costs	140,677	4,244	
Interest	152	98	1,166
Local permits and fees	354,743		657,591
EMS calls	230,182		
Fire assessments	164,397		
EMS county funding	98,800		
Contributions from Pea Ridge Schools	140,920		
Grant income	70,924		
Other	97,826	7,923	
	<u>4,238,161</u>	<u>1,027,048</u>	<u>1,489,606</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	765,744		
Law enforcement	1,547,050		
Highways and streets		1,167,697	150,000
Public safety	721,503		30,729
Recreation and culture	222,861		7,000
Total Current	<u>3,257,158</u>	<u>1,167,697</u>	<u>187,729</u>
Debt Service:			
Bond principal			120,776
Bond interest and other charges			41,424
Financed purchase principal	92,654		
Financed purchase interest	6,686		
	<u>3,356,498</u>	<u>1,167,697</u>	<u>349,929</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	881,663	(140,649)	1,139,677
FUND BALANCES - JANUARY 1	<u>1,227,398</u>	<u>247,688</u>	<u>651,462</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,109,061</u>	<u>\$ 107,039</u>	<u>\$ 1,791,139</u>

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

CITY OF PEA RIDGE, 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, 2021

Exhibit C-1

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 84,000	\$ 88,463	\$ 4,463	\$ 450,000	\$ 430,602	\$ (19,398)
Federal aid		8,149	8,149			
Property taxes	411,000	420,639	9,639	78,900	79,945	1,045
Franchise fees	220,000	101,392	(118,608)			
Sales taxes	2,937,000	2,320,897	(616,103)	497,000	504,236	7,236
Fines, forfeitures, and costs	158,800	140,677	(18,123)	8,000	4,244	(3,756)
Interest		152	152		98	98
Local permits and fees	354,200	354,743	543			
EMS calls	235,000	230,182	(4,818)			
Fire assessments	176,000	164,397	(11,603)			
EMS county funding	98,800	98,800	0			
Contributions from Pea Ridge Schools	141,000	140,920	(80)			
Grant income	53,540	70,924	17,384	1,000		(1,000)
Other	842,120	97,826	(744,294)	8,000	7,923	(77)
<b>TOTAL REVENUES</b>	<b>5,711,460</b>	<b>4,238,161</b>	<b>(1,473,299)</b>	<b>1,042,900</b>	<b>1,027,048</b>	<b>(15,852)</b>
EXPENDITURES						
Current:						
General government	1,754,000	765,744	988,256			
Law enforcement	1,721,169	1,547,050	174,119			
Highways and streets				1,342,900	1,167,697	175,203
Public safety	782,800	721,503	61,297			
Recreation and culture	234,560	222,861	11,699			
Total Current	<u>4,492,529</u>	<u>3,257,158</u>	<u>1,235,371</u>	<u>1,342,900</u>	<u>1,167,697</u>	<u>175,203</u>
Debt Service:						
Financed purchase principal		92,654	(92,654)			
Financed purchase interest		6,686	(6,686)			
<b>TOTAL EXPENDITURES</b>	<b>4,492,529</b>	<b>3,356,498</b>	<b>1,136,031</b>	<b>1,342,900</b>	<b>1,167,697</b>	<b>175,203</b>



CITY OF PEA RIDGE, 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, 2021

Exhibit C-1

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,218,931	\$ 881,663	\$ (337,268)	\$ (300,000)	\$ (140,649)	\$ 159,351
OTHER FINANCING SOURCES (USES)						
Transfers in	1,021,480		(1,021,480)	300,000		(300,000)
Transfers out	<u>(2,240,261)</u>		<u>2,240,261</u>	<u>                    </u>		<u>                    </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,218,781)</u>		<u>1,218,781</u>	<u>300,000</u>		<u>(300,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	150	881,663	881,513		(140,649)	(140,649)
FUND BALANCES - JANUARY 1	<u>526,328</u>	<u>1,227,398</u>	<u>701,070</u>	<u>176,802</u>	<u>247,688</u>	<u>70,886</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 526,478</u></u>	<u><u>\$ 2,109,061</u></u>	<u><u>\$ 1,582,583</u></u>	<u><u>\$ 176,802</u></u>	<u><u>\$ 107,039</u></u>	<u><u>\$ (69,763)</u></u>

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

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City of Pea Ridge 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 funds of the City would have been included in the reporting entity: Waterworks and Sewer System Funds. However, under Arkansas's regulatory basis described below, inclusion of these funds are not required and these funds are 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, property taxes, and sales 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 through 4 for Special Revenue Funds 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 through 4 for Capital Projects Funds 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 through 4 for the Debt Service Fund reported with other fund 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 Schedules 1 and 3 for the Custodial Funds as reported with other funds in the aggregate.

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 1: Summary of Significant Accounting Policies**

**C. Basis of Accounting - Regulatory**

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

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

In 2021, the City implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market accounts.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and payroll withholdings that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 1: Summary of Significant Accounting Policies**

**E. Property Taxes**

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

**F. Budget Law**

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

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

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

Basis of Accounting

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

**G. Fund Balance Classification Policies and Procedures**

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

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

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**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:

	December 31, 2022	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	4,154,539	4,241,507
Uncollateralized	4,713,361	4,713,361
Total Deposits	\$ 9,367,900	\$ 9,454,868

The above total deposits do not include cash on hand of \$1,836.

	December 31, 2021	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	3,400,214	3,486,739
Uncollateralized	68,168	68,168
Total Deposits	\$ 3,968,382	\$ 4,054,907

The above total deposits do not include cash on hand of \$1,836.

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial risk. As of December 31, 2022 and December 31, 2021, \$4,713,361 and \$68,168 of the City's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of U. S. 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.

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 4: Accounts Receivable**

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Property taxes	\$ 55,478	\$ 11,412	
Franchise fees	122,936		
Sales taxes	226,964	48,915	\$ 122,288
Other	4,269		
<b>Totals</b>	<b>\$ 409,647</b>	<b>\$ 60,327</b>	<b>\$ 122,288</b>

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Street Fund
Property taxes	\$ 57,204	\$ 10,869
Franchise fees	59,659	
Sales taxes	204,232	44,157
<b>Totals</b>	<b>\$ 321,095</b>	<b>\$ 55,026</b>

**NOTE 5: Accounts Payable**

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

Description	General Fund	Street Fund
Vendor payables	\$ 43,602	\$ 30,505

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 76,866	\$ 157,217	\$ 7,000
Payroll taxes payable			454
<b>Totals</b>	<b>\$ 76,866</b>	<b>\$ 157,217</b>	<b>\$ 7,454</b>

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 6: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government	\$ 1,018,084		
Highways and streets		\$ 229,819	
Public safety			\$ 19,986
Capital outlay			3,311,016
Debt service			515,124
Total Restricted	<u>1,018,084</u>	<u>229,819</u>	<u>3,846,126</u>
Committed for:			
Capital outlay			<u>1,215,727</u>
Assigned to:			
Public safety	20,935		
Recreation and culture	<u>266,764</u>		
Total Assigned	<u>287,699</u>		
Unassigned	<u>3,071,306</u>		
Totals	<u>\$ 4,377,089</u>	<u>\$ 229,819</u>	<u>\$ 5,061,853</u>

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 643,404
Highways and streets		\$ 107,039	
Public safety			32,445
Debt service			68,168
Total Restricted		<u>107,039</u>	<u>744,017</u>
Committed for:			
Capital outlay			<u>1,047,122</u>
Assigned to:			
Public safety	\$ 31,162		
Recreation and culture	<u>192,301</u>		
Total Assigned	<u>223,463</u>		
Unassigned	<u>1,885,598</u>		
Totals	<u>\$ 2,109,061</u>	<u>\$ 107,039</u>	<u>\$ 1,791,139</u>

CITY OF PEA RIDGE, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2022 AND 2021

**NOTE 7: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2022 and 2021, the legal debt limit for the bonded debt was \$20,317,800 and \$16,425,770, respectively. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2022 and 2021, the legal debt limit for short-term financing obligations was \$5,275,709 and \$4,286,154, respectively. The amounts of short-term financing obligations were \$237,093 and \$152,547, leaving legal debt margins of \$5,038,616 and \$4,133,607, respectively.

**NOTE 8: Commitments**

Total commitments consist of the following at December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Long-term liabilities	\$ 7,350,463	\$ 1,510,601
Leases	64,000	112,118
Construction contracts	464,095	138,013
 Total Commitments	 \$ 7,878,558	 \$ 1,760,732

Long-term liabilities

Long-term liabilities at December 31, 2022 and 2021, are comprised of the following:

	December 31, 2022	December 31, 2021
<u>Bonds</u>		
2016 Franchise Fee Revenue Refunding and Construction Bonds, dated February 23, 2016, in the amount of \$1,857,133, due in semi-annual installments of \$80,000 including interest through June 15, 2030, interest rates of 1.85% to 3.1%. Proceeds of \$900,422 were used for the construction of a new city hall. Payments are to be made from the Debt Service Fund.	\$ 1,049,935	\$ 1,174,484
2022 Sales and Use Tax Revenue Capital Improvement Bonds, dated January 12, 2022, in the amount of \$5,800,000, due in annual installments of \$145,000 to \$300,000 plus semi-annual interest payments through March 1, 2047, interest rates of 2% to 2.5%. Proceeds were used for improvements to streets. Payments are to be made from the Debt Service Fund.	5,800,000	
Total Bonds	6,849,935	1,174,484



CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 8: Commitments (Continued)**

Long-term liabilities (Continued)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Direct Borrowings</u>		
Financed purchase agreement with Arvest Bank dated July 6, 2017, in the amount of \$140,000, due in monthly installments of \$2,531 through July 6, 2022, interest of 3.25%. Proceeds of \$140,000 were used for the purchase of an ambulance. Payments are to be made from the Fire Account in the General Fund.		\$ 17,633
Financed purchase agreement with First Security Bank dated September 12, 2017, in the amount of \$200,000, due in monthly installments of \$3,592 through September 20, 2022, interest of 2.95%. Proceeds of \$200,000 were used for the purchase of police vehicles. Payments are to be made from the General Fund.		31,897
Financed purchase agreement with Stryker Flex dated June 1, 2021, in the amount of \$24,321, due in annual installments of \$5,304 through July 1, 2025, interest of 4.25%. Proceeds used to purchase an MTS Power Loader. Payments are to be made from the Fire Account in the General Fund.	\$ 14,626	19,103
Financed purchase agreement with Arvest Bank dated June 6, 2022, in the amount of \$181,950, due in monthly installments of \$3,863 through May 25, 2024 and a balloon payment of \$100,000 on June 25, 2024, interest of 3.60%. Proceeds used to purchase an Isuzu street sweeper. Payments are to be made from the Street Fund.	158,329	
Financed purchase agreement with Motorola dated February 20, 2020, in the amount of \$102,938, due in annual installments of \$23,090 through February 20, 2025, interest of 3.88%. Proceeds of \$102,938 to be used for the purchase of radio equipment. Payments are to be made from the General Fund and Street Fund.	<u>64,138</u>	<u>83,914</u>
Total Direct Borrowings	<u>237,093</u>	<u>152,547</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	<u>263,435</u>	<u>183,570</u>
Total Long-term liabilities	<u>\$ 7,350,463</u>	<u>\$1,510,601</u>

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 \$6,849,935 and \$1,174,484 as of December 31, 2022 and 2021, respectively, contain provisions that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding direct borrowings of \$237,093 and \$152,547 as of December 31, 2022 and 2021, respectively, contain provisions that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 8: 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, 2022	Maturities to December 31, 2022
<u>Bonds</u>					
2/23/16	6/15/30	1.85 to 3.10%	\$ 1,857,133	\$ 1,049,935	\$ 807,198
1/12/22	3/1/47	2 to 2.5%	5,800,000	5,800,000	0
Total Bonds			<u>7,657,133</u>	<u>6,849,935</u>	<u>807,198</u>

Direct Borrowings

6/1/21	7/1/25	4.25%	24,321	14,626	9,695
6/6/22	6/25/24	3.60%	181,950	158,329	23,621
2/20/20	2/20/25	3.88%	102,938	64,138	38,800
Total Direct Borrowings			<u>309,209</u>	<u>237,093</u>	<u>72,116</u>

Total Long-Term Debt \$ 7,966,342 \$ 7,087,028 \$ 879,314

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
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Bonds

2/23/16	6/15/30	1.85 to 3.10%	\$ 1,857,133	\$ 1,174,484	\$ 682,649
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Direct Borrowings

7/6/17	7/6/22	3.25%	140,000	17,633	122,367
9/12/17	9/20/22	2.95%	200,000	31,897	168,103
6/1/21	7/1/25	4.25%	24,321	19,103	5,218
2/20/20	2/20/25	3.88%	102,938	83,914	19,024
Total Direct Borrowings			<u>467,259</u>	<u>152,547</u>	<u>314,712</u>

Total Long-Term Debt \$ 2,324,392 \$ 1,327,031 \$ 997,361

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 1,174,484	\$ 5,800,000	\$ 124,549	\$ 6,849,935
<u>Direct Borrowings</u>				
Financed purchases	152,547	181,950	97,404	237,093
Total Long-Term Debt	<u>\$ 1,327,031</u>	<u>\$ 5,981,950</u>	<u>\$ 221,953</u>	<u>\$ 7,087,028</u>

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 8: Commitments (Continued)**

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 1,295,260	\$ 0	\$ 120,776	\$ 1,174,484
<u>Direct Borrowings</u>				
Financed purchases	220,880	* 24,321	92,654	152,547
Total Long-Term Debt	<u>\$ 1,516,140</u>	<u>\$ 24,321</u>	<u>\$ 213,430</u>	<u>\$ 1,327,031</u>

- Includes reduction of \$101 for error in prior year principal payment.

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 273,440	\$ 157,948	\$ 431,388	\$ 66,494	\$ 8,259	\$ 74,753
2024	317,452	150,635	468,087	143,303	4,134	147,437
2025	326,590	142,747	469,337	27,296	1,098	28,394
2026	330,857	134,680	465,537			
2027	340,257	126,430	466,687			
2028 through 2032	1,401,339	517,432	1,918,771			
2033 through 2037	1,150,000	392,938	1,542,938			
2038 through 2042	1,275,000	256,266	1,531,266			
2043 through 2047	1,435,000	91,313	1,526,313			
Totals	<u>\$ 6,849,935</u>	<u>\$ 1,970,389</u>	<u>\$ 8,820,324</u>	<u>\$ 237,093</u>	<u>\$ 13,491</u>	<u>\$ 250,584</u>

The City is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 124,549	\$ 35,451	\$ 160,000	\$ 73,782	\$ 4,734	\$ 78,516
2023	128,440	31,560	160,000	25,227	3,167	28,394
2024	132,452	27,548	160,000	26,241	2,153	28,394
2025	136,590	23,410	160,000	27,297	1,097	28,394
2026	140,857	19,143	160,000			
2027 through 2030	511,596	31,434	543,030			
Totals	<u>\$ 1,174,484</u>	<u>\$ 168,546</u>	<u>\$ 1,343,030</u>	<u>\$ 152,547</u>	<u>\$ 11,151</u>	<u>\$ 163,698</u>

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 8: Commitments (Continued)**

Leases

The City entered into a lease agreement for a Side Boom Mower on September 25, 2017. Terms of the lease are annual rental payments of \$16,000 for 9 years. At the end of the lease term, the City will return the equipment to the lessor.

The City entered into a lease agreement for a Motor Grader on January 9, 2019. Terms of the lease are monthly rental payments of \$2,677 for 48 months. At the end of the lease term, the City will return the equipment to the lessor. The City is obligated for the following amounts for the next five years:

Year	December 31, 2022	December 31, 2021
2022		\$ 48,118
2023	\$ 16,000	16,000
2024	16,000	16,000
2025	16,000	16,000
2026	16,000	16,000
Totals	<u>\$ 64,000</u>	<u>\$ 112,118</u>

Lease expenses for 2022 and 2021, were \$49,779 and \$52,857, respectively.

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2022 and 2021:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2022	Contract Balance December 31, 2021
Peck Road Bridge Project	January 2022		\$ 138,013
Hazelton Road Improvement Project	June 2023	\$ 432,034	
It'll Do Road Drainage Improvements Project	January 2024	13,269	
Peck Road Box Culvert Repair	December 2025	18,792	
Total Construction Contracts		<u>\$ 464,095</u>	<u>\$ 138,013</u>

**NOTE 9: Pledged Revenues**

The City pledged future franchise fees to repay \$1,857,133 in bonds that were issued in 2016 to provide funding for construction of the city hall and refunding of the 2012 bond issue. Total principal and interest remaining on the bonds at December 31, 2022, were \$1,049,935 and \$133,095, respectively, payable through June 15, 2030. For 2022, principal and interest paid were \$124,549 and \$35,451, respectively.

The Debt Service Fund received \$162,200 in franchise fees in 2022.

The City pledged future franchise fees to repay \$1,857,133 in bonds that were issued in 2016 to provide funding for construction of the city hall and refunding of the 2012 bond issue. Total principal and interest remaining on the bonds at December 31, 2021, were \$1,174,484 and \$168,546, respectively, payable through June 15, 2030. For 2021, principal and interest paid were \$120,776 and \$39,224, respectively.

The Debt Service Fund received \$162,200 in franchise fees in 2021.

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 9: Pledged Revenues (Continued)**

The City pledged future 1% sales and use tax to repay \$5,800,000 in bonds that were issued in 2022 to provide funding for street improvements. Total principal and interest remaining on the bonds were \$5,800,000 and \$1,837,294, respectively, payable through March 1, 2047. For 2022, no principal payments were due and interest payments of \$81,319 were made.

The Debt Service Fund received \$369,969 in sales and use tax in 2022. Any sales taxes collected in excess of debt service payments are to be used for police, fire, street and parks expenditures.

**NOTE 10: 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 PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 11: 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. 3<sup>rd</sup>, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website [www.lopfi-prb.com](http://www.lopfi-prb.com).

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 \$190,372 and \$174,761 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$98,578 and \$100,531 for the years ended December 31, 2022 and 2021, respectively.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2022 and 2021, (actuarial valuation date and measurement date) was \$4,043,214 and \$1,251,345, respectively.

**NOTE 12: Employee Retirement Program (A Defined Contribution Pension Plan)**

Plan Description

The Pea Ridge City Council has contracted with Nationwide Trust Company FSB, Avery Hudson Wealth Management, and Pension Solutions, Inc. to provide a 401(a) governmental plan and trust to every eligible employee. Eligible employees include all full-time employees with two years of service with the City of Pea Ridge with the exception of police officers.

Contributions Policy

Employer contributions are determined by a vote of the City Council. Employees must contribute 2% before the City will begin contributing. The current contribution rate is 4% for employees after two years of service, 6% after six years of service, 8% after ten years of service, and 10% after fourteen years of service. Benefits are distributed upon attainment of retirement age, death, or disability. Benefits are limited to contributions made for the employees and the earnings on those contributions. Therefore, the plan will have no unfunded liabilities. The City's contributions to the plan were \$47,798 and \$40,068 for the years ended December 31, 2022 and 2021, respectively..

**NOTE 13: Corona Virus (COVID-19)**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the City was awarded \$1,286,800 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$1,286,800 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**NOTE 14: Subsequent Events**

On January 30, 2023, the City entered into a \$245,000 financed purchase agreement with Arvest Bank for the purchase of a motor grader. Terms of the agreement include monthly installments of \$4,596 for 60 months with interest of 4.75%.

On April 30, 2023, the City ended their contract with Nationwide for employee retirement and started contributions to Arkansas Public Employees Retirement System (APERS) on July 1, 2023.

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

Schedule 1

	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	CUSTODIAL FUNDS		Totals
	Fire Equipment and Training (Act 833)	Impact Fee	Bond Construction	Debt Service	Payroll	Court	
ASSETS							
Cash and cash equivalents	\$ 19,986	\$ 1,215,727	\$ 3,311,016	\$ 392,836	\$ 193,547	\$ 23,583	\$ 5,156,695
Accounts receivable				122,288			122,288
<b>TOTAL ASSETS</b>	<b>\$ 19,986</b>	<b>\$ 1,215,727</b>	<b>\$ 3,311,016</b>	<b>\$ 515,124</b>	<b>\$ 193,547</b>	<b>\$ 23,583</b>	<b>\$ 5,278,983</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Settlements pending					\$ 193,547	\$ 23,583	\$ 217,130
Fund Balances:							
Restricted	\$ 19,986		\$ 3,311,016	\$ 515,124			3,846,126
Committed		\$ 1,215,727					1,215,727
Total Fund Balances	19,986	1,215,727	3,311,016	515,124			5,061,853
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 19,986</b>	<b>\$ 1,215,727</b>	<b>\$ 3,311,016</b>	<b>\$ 515,124</b>	<b>\$ 193,547</b>	<b>\$ 23,583</b>	<b>\$ 5,278,983</b>



CITY OF PEA RIDGE, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	Totals
	Fire Equipment and Training (Act 833)	American Rescue Plan Act	Impact Fee	Bond Construction	Debt Service	
REVENUES						
State aid	\$ 27,511					\$ 27,511
Federal aid		\$ 643,396				643,396
Franchise fees					\$ 162,200	162,200
Sales taxes					369,969	369,969
Interest			\$ 1,486	\$ 38,080	3,257	42,823
Local permits and fees			558,737			558,737
Other	18					18
<b>TOTAL REVENUES</b>	<b>27,529</b>	<b>643,396</b>	<b>560,223</b>	<b>38,080</b>	<b>535,426</b>	<b>1,804,654</b>
EXPENDITURES						
Current:						
General government			1,379		172,128	173,507
Law enforcement		1,286,800	49,940			1,336,740
Highways and streets			300,000	2,199,308		2,499,308
Public safety	39,988		5,863			45,851
Recreation and culture			34,436			34,436
Total Current	39,988	1,286,800	391,618	2,199,308	172,128	4,089,842
Debt Service:						
Bond principal					124,549	124,549
Bond interest and other charges					119,549	119,549
<b>TOTAL EXPENDITURES</b>	<b>39,988</b>	<b>1,286,800</b>	<b>391,618</b>	<b>2,199,308</b>	<b>416,226</b>	<b>4,333,940</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,459)	(643,404)	168,605	(2,161,228)	119,200	(2,529,286)
OTHER FINANCING SOURCES (USES)						
Construction bond proceeds				5,472,244	327,756	5,800,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,459)	(643,404)	168,605	3,311,016	446,956	3,270,714
FUND BALANCES - JANUARY 1	32,445	643,404	1,047,122		68,168	1,791,139
FUND BALANCES - DECEMBER 31	\$ 19,986	\$ 0	\$ 1,215,727	\$ 3,311,016	\$ 515,124	\$ 5,061,853

CITY OF PEA RIDGE, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2021

Schedule 3

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CUSTODIAL FUNDS</u>		
	Fire Equipment and Training (Act 833)	American Rescue Plan Act	Impact Fee	Debt Service	Payroll	Court	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 32,445	\$ 643,404	\$ 1,054,122	\$ 68,168	\$ 79,971	\$ 14,646	\$ 1,892,756
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable			\$ 7,000		\$ 454		\$ 7,454
Settlements pending					79,517	\$ 14,646	94,163
Total Liabilities			<u>7,000</u>		<u>79,971</u>	<u>14,646</u>	<u>101,617</u>
Fund Balances:							
Restricted	\$ 32,445	\$ 643,404		\$ 68,168			744,017
Committed			1,047,122				1,047,122
Total Fund Balances	<u>32,445</u>	<u>643,404</u>	<u>1,047,122</u>	<u>68,168</u>			<u>1,791,139</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 32,445</u>	<u>\$ 643,404</u>	<u>\$ 1,054,122</u>	<u>\$ 68,168</u>	<u>\$ 79,971</u>	<u>\$ 14,646</u>	<u>\$ 1,892,756</u>

CITY OF PEA RIDGE, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 4

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Totals
	Fire Equipment and Training (Act 833)	American Rescue Plan Act	Impact Fee	Debt Service	
REVENUES					
State aid	\$ 25,245				\$ 25,245
Federal aid		\$ 643,404			643,404
Franchise fees				\$ 162,200	162,200
Interest			\$ 1,099	67	1,166
Local permits and fees			657,591		657,591
<b>TOTAL REVENUES</b>	<b>25,245</b>	<b>643,404</b>	<b>658,690</b>	<b>162,267</b>	<b>1,489,606</b>
EXPENDITURES					
Current:					
Highways and streets			150,000		150,000
Public safety	28,910		1,819		30,729
Recreation and culture			7,000		7,000
Total Current	28,910		158,819		187,729
Debt Service:					
Bond principal				120,776	120,776
Bond interest and other charges				41,424	41,424
<b>TOTAL EXPENDITURES</b>	<b>28,910</b>		<b>158,819</b>	<b>162,200</b>	<b>349,929</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,665)	643,404	499,871	67	1,139,677
FUND BALANCES - JANUARY 1	36,110		547,251	68,101	651,462
FUND BALANCES - DECEMBER 31	\$ 32,445	\$ 643,404	\$ 1,047,122	\$ 68,168	\$ 1,791,139

CITY OF PEA RIDGE, ARKANSAS  
NOTES TO SCHEDULES 1 THROUGH 4  
DECEMBER 31, 2022 AND 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Impact Fee	Established by Pea Ridge Ordinance no. 352 (July 20, 2004) to receive fees assessed on new development of single or multifamily residential improvements to lands within the City's service area to fund new public facilities and capital improvements to existing facilities.
Bond Construction	Pea Ridge Ordinance no. 746 (December 2, 2021) authorized the issuance and sale of sales and use tax capital improvement bonds for the purpose of street improvements.
Debt Service	Pea Ridge Ordinance no. 574 (January 19, 2016) authorized the issuance and sale of a Franchise Fee Construction and Refunding Revenue Bond for the purpose of refunding prior franchise fee indebtedness (Franchise Fee Revenue Refunding Bonds, dated June 1, 2012), financing betterments and improvements to the City's municipal office and administrative facilities, and providing for the payment of principal and interest on the bonds. Pea Ridge Ordinance no. 746 (December 2, 2021) authorized the issuance and sale of sales and use tax capital improvement bonds for the purpose of street improvements and providing for the payment of principal and interest on the bonds.
Payroll	Established account to facilitate the payment of payroll related expenditures.
Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

CITY OF PEA RIDGE, ARKANSAS  
 OTHER INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 DECEMBER 31, 2022 AND 2021  
 (Unaudited)

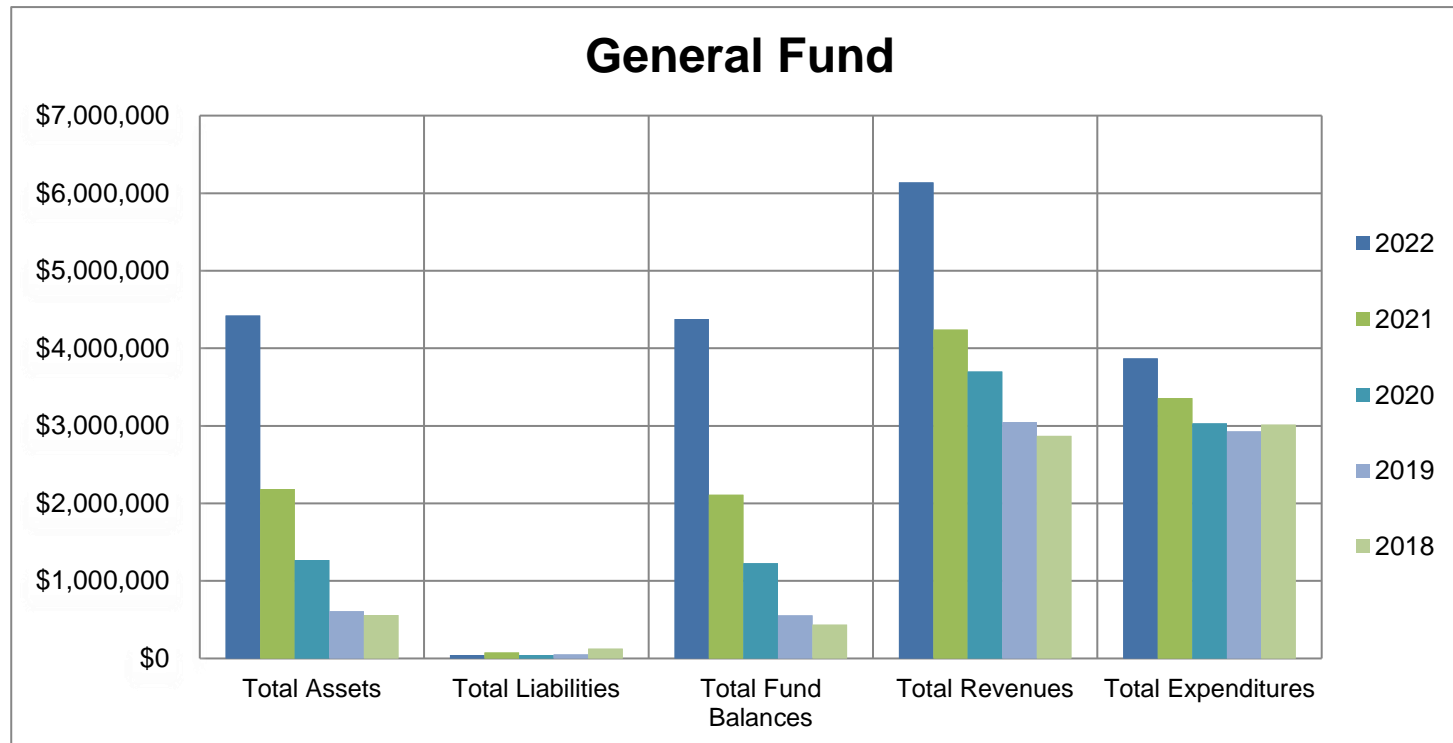
Schedule 5

	December 31, 2022	December 31, 2021
Land	\$ 223,814	\$ 223,814
Buildings	2,325,536	2,325,536
Improvements	217,979	217,979
Equipment	2,342,247	1,665,583
Totals	\$ 5,109,576	\$ 4,432,912

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

Schedule 6-1

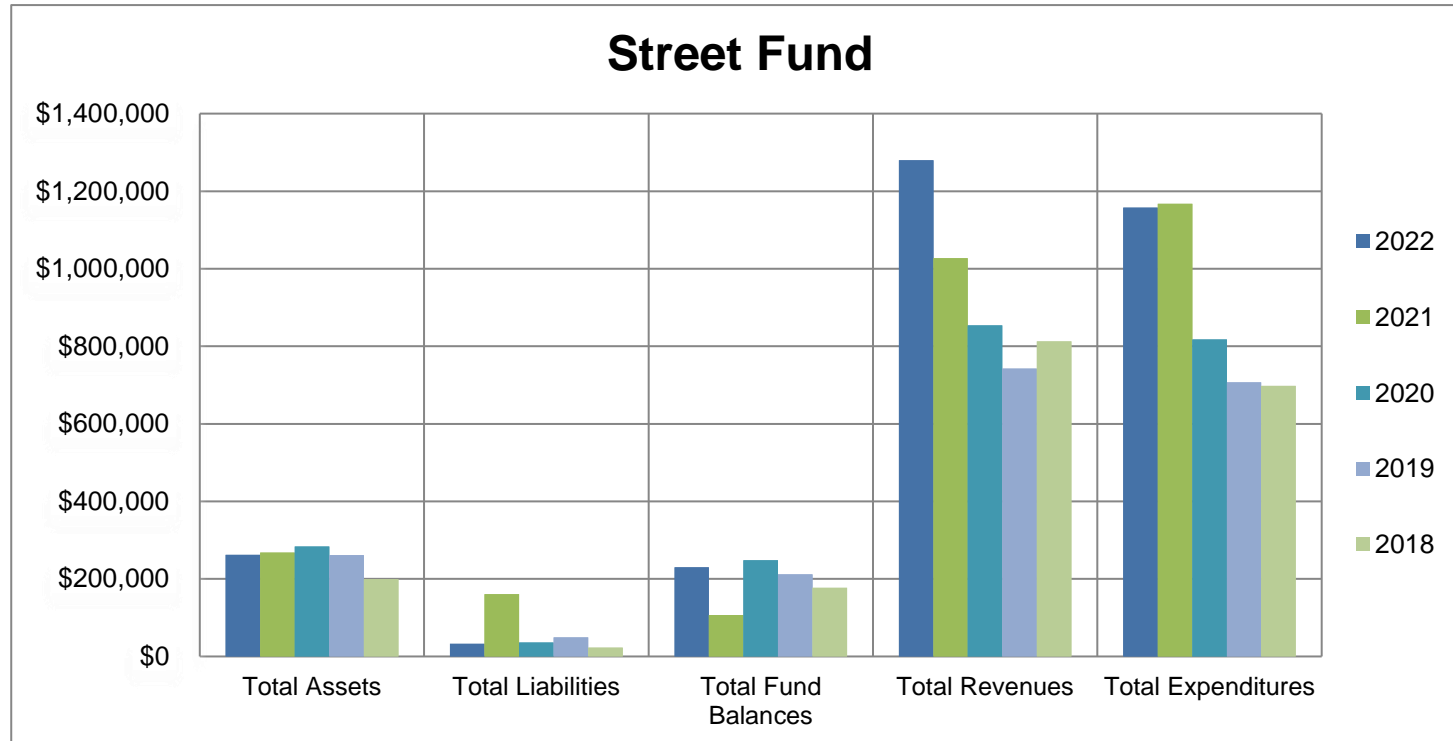
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 4,420,691	\$ 2,185,927	\$ 1,268,983	\$ 609,526	\$ 560,783
Total Liabilities	43,602	76,866	41,585	53,764	124,941
Total Fund Balances	4,377,089	2,109,061	1,227,398	555,762	435,842
Total Revenues	6,137,989	4,238,161	3,701,444	3,046,993	2,869,485
Total Expenditures	3,869,961	3,356,498	3,029,808	2,927,073	3,012,816
Total Other Financing Sources/Uses					(25,000)



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

Schedule 6-2

<u>Street</u>	2022	2021	2020	2019	2018
Total Assets	\$ 262,324	\$ 267,656	\$ 283,629	\$ 260,939	\$ 199,606
Total Liabilities	32,505	160,617	35,941	49,200	22,804
Total Fund Balances	229,819	107,039	247,688	211,739	176,802
Total Revenues	1,279,997	1,027,048	853,493	742,232	812,853
Total Expenditures	1,157,217	1,167,697	817,544	707,295	698,019
Total Other Financing Sources/Uses					25,000



CITY OF PEA RIDGE, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2022  
 (Unaudited)

Schedule 6-3

<u>Other Funds in the Aggregate</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 5,278,983	\$ 1,892,756	\$ 751,270	\$ 629,749	\$ 431,052
Total Liabilities	217,130	101,617	99,808	37,237	57,830
Total Fund Balances	5,061,853	1,791,139	651,462	592,512	373,222
Total Revenues	1,804,654	1,489,606	480,867	426,463	433,081
Total Expenditures	4,333,940	349,929	421,917	207,173	558,700
Total Other Financing Sources/Uses	5,800,000				

