

**City of Bryant, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2012**

LEGISLATIVE JOINT AUDITING COMMITTEE

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House Chair  
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House Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Bryant, Arkansas, as of and for the year ended December 31, 2012, as listed in the table of contents, and the related notes to the financial statements.

#### ***Management's Responsibility 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 Arkansas Code, as described in Note 1, to meet the requirements permitted by the State of Arkansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements permitted by the State of Arkansas, the financial statements are prepared by the City on the basis of the financial reporting provisions of Arkansas Code, 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.

#### ***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 Generally Accepted Accounting Principles paragraphs, the 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 City of Bryant, Arkansas, as of December 31, 2012, or the revenues, expenditures, and changes in net position and, when applicable, cash flows thereof for the year then ended.

***Basis for Adverse Opinion on Regulatory Basis of Accounting***

The Water and Wastewater Department has not been included in the City's regulatory-basis financial statements. The regulatory basis as prescribed or permitted by Arkansas Code requires the Water and Wastewater Department to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues, and expenditures. The amount by which this departure would affect the assets, liabilities, revenues, and expenditures of the other funds in the aggregate column is not reasonably determinable. The City's financial statements also do not disclose all the required information concerning deposit and investment risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

***Adverse Opinion on Regulatory Basis of Accounting***

In our opinion, because of the omissions described in the Basis for Adverse Opinion on Regulatory Basis of Accounting paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory-basis of accounting, as described in Note 1, the financial position of the other funds in the aggregate of the City of Bryant, Arkansas, as of December 31, 2012, and the regulatory-basis revenues, expenditures, and changes in net position for the year then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

The City's financial statements do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion on Regulatory Basis of Accounting paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory-basis financial position of the general fund and street fund of the City of Bryant, Arkansas, as of December 31, 2012, and 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 the Arkansas Code described in Note 1.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

Because of the omissions described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
June 25, 2014  
LOM101512

**Sen. Bryan B. King**  
Senate Chair  
**Rep. Kim Hammer**  
House Chair  
**Sen. Linda Chesterfield**  
Senate Vice Chair  
**Rep. John W. Walker**  
House Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory-basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Bryant, Arkansas, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2014. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect 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 opinion on the other funds in the aggregate was adverse because of the effects on the financial statements of not including the Water and Wastewater Department, which is material to other funds in the aggregate. Our opinions on the general fund and street fund were qualified because required disclosures were not made concerning deposit risks.

#### 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 to determine the 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies to be material weaknesses:

2012-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The City officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the City's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

The City officials, as specified in the Other Issues section of this report, responded and indicated that their offices will segregate the duties relating to initiating, receipting, depositing, disbursing, and recording transactions to the extent possible with the current staffing levels.

2012-2 Arkansas Code requires City management to maintain financial records. The financial records for Other Funds in the Aggregate contained material misstatements for assets, fund balances, revenues, expenditures, and other financing sources/uses of \$9,090, \$10,856, \$520,056, \$9,581, and \$47,782, respectively, due to unrecorded cash and the misclassification of revenues and expenditures.

The effect of these omissions and errors constitutes a significant deficiency in internal control in the process of preparing financial records. City management should implement procedures to ensure that all cash, revenues, and expenditures are properly recorded and classified. A similar finding was issued in the prior report.

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

#### 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 the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Internal Control over Financial Reporting section as item 2012-2.

#### Entity's Response to Findings

The City's response to the findings identified in our audit is described above. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

#### Other Issues

The following issues are not significant deficiencies, material weaknesses, or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the City.

The commentary contained in this section relates to the following officials that held office during 2012:

Mayor: Jill Dabbs  
City Clerk: Heather McKim  
Finance Director: Cindy West (appointed April 2012)  
Gary Hollis (resigned February 2012)  
District Court Clerk: Lindsey Dinwiddie  
Police Chief: Mark Kizer

We reviewed the City's compliance with certain Arkansas laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

Our audit procedures indicated that the Offices of **Mayor** and **City Clerk** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the Offices of **Finance Director**, **Police Chief**, and **District Court Clerk**.

#### **Finance Director**

1. We noted the following improper expenditures:
  - A. Disbursements totaling \$3,952 were not supported by adequate documentation, as required by Ark. Code Ann. § 14-59-105; therefore, auditors were unable to determine the business purpose.
  - B. Disbursements totaling \$1,310 and \$311 for meal and lodging expenses, respectively, were not supported with documentation, as required by Ark. Code Ann. § 14-59-105.
2. Prenumbered receipts were not issued for all funds received, as required by Ark. Code Ann. § 14-59-109. In addition, original source documentation was not maintained for receipts issued for permits, business licenses, animal control fees, and parks and recreation fees.
3. Bank reconciliations were not approved by a city official or employee other than the person preparing the reconciliations, as designated by the Mayor, as required by Ark. Code Ann. § 14-59-108.
4. All deposits were not insured or collateralized, as required by Ark. Code Ann. § 19-8-107.

### **District Court Clerk**

1. District Court bank accounts were not always properly reconciled at the end of each month, and the ending balance of \$19,622 was not identified with receipts issued for cases not yet adjudicated and the payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. A similar finding was noted in the previous report.
2. The District Court Clerk did not, on or before the fifteenth day of the month following the end of the calendar quarter, reconcile the individual citations in the completed citation book to the individual citations reflected on the arrest report, as required by Ark. Code Ann. § 16-10-209.

### **Police Chief**

1. Completed manual uniform traffic citation books were not always returned and logged on the citation list. We noted 19 citation books that could not be located by the Police Department.
2. We noted 92 manual completed citation books that were not filed with the District Court Clerk, as required by Ark. Code Ann. § 16-10-205.

*The following information systems weaknesses were discovered during a review of computers:*

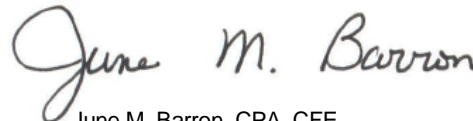
#### **Police Chief**

Password controls did not meet minimum industry standards. The minimum number of characters required for passwords was below industry standards. Passwords were not required to be changed on a periodic, recurring basis that did not exceed 90 days. Passwords were not required to contain a mixture of alpha and numeric characters. A password history file was not maintained to prevent re-use of previous passwords.

### 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 result 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.

DIVISION OF LEGISLATIVE AUDIT



June M. Barron, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
June 25, 2014

CITY OF BRYANT, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2012

Exhibit A

	General	Street	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,929,102	\$ 862,810	\$ 4,910,478
Investments			1,065,932
Accounts receivable	492,028	41,268	627,154
Interfund receivables			25,954
	\$ 5,421,130	\$ 904,078	\$ 6,629,518
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 512,795	\$ 102,797	\$ 1,892
Interfund payables	25,954		
Settlements pending			189,602
Total Liabilities	538,749	102,797	191,494
Fund Balances:			
Restricted	3,838	801,281	4,800,907
Committed			1,637,117
Unassigned	4,878,543		
Total Fund Balances	4,882,381	801,281	6,438,024
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,421,130</b>	<b>\$ 904,078</b>	<b>\$ 6,629,518</b>

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



CITY OF BRYANT, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 474,922	\$ 763,235	\$ 12,555
Federal aid	220,982		1,646
Property taxes	490,865	400,553	
Franchise fees	1,161,948		
Sales taxes	3,742,711		7,485,778
Fines, forfeitures, and costs	671,621		71,815
Interest	1,922	405	30,440
Local permits and fees	221,415		
Donations	108,145		
Parks and recreation fees	840,120		
Reimbursement for law enforcement	317,493		
Other	98,145	6,617	473
	<u>8,350,289</u>	<u>1,170,810</u>	<u>7,602,707</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	1,722,347		1,624
Law enforcement	3,765,847		1,385,810
Highways and streets		2,112,803	491,390
Public safety	3,415,619		46,527
Recreation and culture	1,961,947		
Social services			11,390
Total Current	<u>10,865,760</u>	<u>2,112,803</u>	<u>1,936,741</u>
Debt Service:			
Bond principal			1,300,000
Bond interest and other charges			1,054,189
Note principal	216,880		282,425
Note interest	46,772		
	<u>11,129,412</u>	<u>2,112,803</u>	<u>4,573,355</u>
TOTAL EXPENDITURES			

CITY OF BRYANT, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,779,123)</u>	<u>\$ (941,993)</u>	<u>\$ 3,029,352</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,367,436	929,500	1,190,441
Transfers out	(707,781)	(348,000)	(5,431,596)
Note proceeds			1,300,000
Sale of equipment		77,793	
Contribution for Sheaff Avenue Project		400,000	
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,659,655</u>	<u>1,059,293</u>	<u>(2,941,155)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>880,532</u>	<u>117,300</u>	<u>88,197</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	3,974,151	746,809	6,349,827
Restatement adjustment	<u>27,698</u>	<u>(62,828)</u>	
FUND BALANCES - JANUARY 1, AS RESTATED	<u>4,001,849</u>	<u>683,981</u>	<u>6,349,827</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 4,882,381</u></u>	<u><u>\$ 801,281</u></u>	<u><u>\$ 6,438,024</u></u>

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

CITY OF BRYANT, 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, 2012

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 267,008	\$ 474,922	\$ 207,914	\$ 792,680	\$ 763,235	\$ (29,445)
Federal aid	212,400	220,982	8,582			
Property taxes	450,000	490,865	40,865	350,000	400,553	50,553
Franchise fees	1,100,000	1,161,948	61,948			
Sales taxes	3,500,000	3,742,711	242,711			
Fines, forfeitures, and costs	557,900	671,621	113,721			
Interest	1,220	1,922	702		405	405
Local permits and fees	251,350	221,415	(29,935)			
Donations	103,000	108,145	5,145			
Parks and recreation fees	815,150	840,120	24,970			
Reimbursement for law enforcement	316,000	317,493	1,493			
Other	68,090	98,145	30,055	2,000	6,617	4,617
<b>TOTAL REVENUES</b>	<b>7,642,118</b>	<b>8,350,289</b>	<b>708,171</b>	<b>1,144,680</b>	<b>1,170,810</b>	<b>26,130</b>
EXPENDITURES						
Current:						
General government	1,903,127	1,722,347	180,780			
Law enforcement	4,183,128	3,765,847	417,281			
Highways and streets				2,162,869	2,112,803	50,066
Public safety	3,040,513	3,415,619	(375,106)			
Recreation and culture	2,059,321	1,961,947	97,374			
Total Current	11,186,089	10,865,760	320,329	2,162,869	2,112,803	50,066
Debt Service:						
Note principal		216,880	(216,880)			
Note interest		46,772	(46,772)			
<b>TOTAL EXPENDITURES</b>	<b>11,186,089</b>	<b>11,129,412</b>	<b>56,677</b>	<b>2,162,869</b>	<b>2,112,803</b>	<b>50,066</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,543,971)</b>	<b>(2,779,123)</b>	<b>764,848</b>	<b>(1,018,189)</b>	<b>(941,993)</b>	<b>76,196</b>

CITY OF BRYANT, 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, 2012

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 8,444,691	\$ 4,367,436	\$ (4,077,255)	\$ 1,014,000	\$ 929,500	\$ (84,500)
Transfers out	(4,754,000)	(707,781)	4,046,219	(348,000)	(348,000)	
Sale of equipment					77,793	77,793
Contribution for Sheaff Avenue Project					400,000	400,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,690,691</b>	<b>3,659,655</b>	<b>(31,036)</b>	<b>666,000</b>	<b>1,059,293</b>	<b>393,293</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>146,720</b>	<b>880,532</b>	<b>733,812</b>	<b>(352,189)</b>	<b>117,300</b>	<b>469,489</b>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED		3,974,151	3,974,151		746,809	746,809
Restatement adjustment		27,698	27,698		(62,828)	(62,828)
FUND BALANCES - JANUARY 1, AS RESTATED		4,001,849	4,001,849		683,981	683,981
FUND BALANCES - DECEMBER 31	<b>\$ 146,720</b>	<b>\$ 4,882,381</b>	<b>\$ 4,735,661</b>	<b>\$ (352,189)</b>	<b>\$ 801,281</b>	<b>\$ 1,153,470</b>

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

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

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

**A. Financial Reporting Entity**

The City of Bryant 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. The following fund of the City is not presented in this report: Water and Wastewater Department.

**B. Basis of Presentation – Regulatory**

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Arkansas Code. 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.

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. The General Fund heading as it appears in the financial statements includes the following accounts: General, Sales Tax, Police Donation, Fire Donation, and Franchise Fee.

**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 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. The following Special Revenue Funds are reported with other funds in the aggregate: Designated Tax, Fire Equipment and Training (Act 833), Police Equipment (Act 918), Police Equipment (Act 988), District Court Automation (Act 1809), Drug Control, Special Sales Tax Fire, Special Sales Tax Parks, Bryant Senior Adult Center Grant, Animal Control Donation, Forest Cove Watershed, and Sales and Use Tax Parks Operation and Maintenance.

**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 outlays, including the acquisition or construction of capital facilities and other capital assets. The following Capital Projects Funds are reported with other funds in the aggregate: Street Franchise Bond Fund Projects Series 2008, Police Fleet, and Land Acquisition and Construction.

**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. The following Debt Service Funds are reported with other funds in the aggregate: Sales and Use Tax Bond Debt Service Series 2006, Sales and Use Tax Bond Debt Service Reserve Series 2006, Sales and Use Tax Bond Debt Service Series 2007, Sales and Use Tax Bond Debt Service Reserve Series 2007, Street Franchise Bond Fund Debt Service Series 2008, Street Franchise Bond Fund Debt Service Reserve Series 2008, Park Bond Debt Service Series 2010, and Park Bond Debt Service Reserve Series 2010.

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation – Regulatory (Continued)**

Other Funds in the Aggregate (Continued)

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the entity in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and other funds. The following Trust and Agency Funds are reported with other funds in the aggregate: Firemen's Pension, Administration of Justice, Tax, and District Court.

**C. Basis of Accounting - Regulatory**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. 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. 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.

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

Cash and Cash Equivalents

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

Investments

Investments are reported at cost.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and payroll taxes 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. 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 BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**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 action 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 Special Revenue 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 assigned fund balances at December 31, 2012.

**NOTE 2: Cash and Investments**

Deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

A. Governmental Fund Types

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.

B. 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, 2012	
	Reported Amount	Fair Value
Debt service	\$ 966,067	\$ 990,919
Trust	99,865	106,244
Totals	<u>\$ 1,065,932</u>	<u>\$ 1,097,163</u>

These investments are composed of the following:

Investment Type	December 31, 2012	
	Reported Amount	Fair Value
Government securities	\$ 966,067	\$ 990,919
Mutual funds	99,865	106,244
Totals	<u>\$ 1,065,932</u>	<u>\$ 1,097,163</u>



CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2012 is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Property taxes	\$ 14,625	\$ 41,268	
Franchise fees	113,553		
Sales taxes	310,158		\$ 620,314
Fines, forfeitures, and costs	34,959		4,489
Donations			2,351
Parks and recreation fees	18,733		
<b>Totals</b>	<b>\$ 492,028</b>	<b>\$ 41,268</b>	<b>\$ 627,154</b>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2012 is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 264,020	\$ 86,099	\$ 1,892
Salaries payables	248,775	16,698	
<b>Totals</b>	<b>\$ 512,795</b>	<b>\$ 102,797</b>	<b>\$ 1,892</b>

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2012	
	Interfund Receivables	Interfund Payables
General		\$ 25,954
Other Funds in the Aggregate:		
Designated Tax	\$ 25,954	
<b>Totals</b>	<b>\$ 25,954</b>	<b>\$ 25,954</b>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances were repaid in January 2013.

**NOTE 8: 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, 2012, the legal debt limit for the bonded debt was \$45,440,076. There were no property tax secured bond issues.

CITY OF BRYANT, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2012

**NOTE 8: Legal Debt Limit (Continued)**

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, 2012, the legal debt limit for short-term financing obligations was \$11,668,821. The amount of short-term financing obligations was \$1,912,566 leaving a legal debt margin of \$9,756,255.

**NOTE 9: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2012 are composed of the following:

Description	General	Street	Other Funds in the Aggregate
<u>Fund Balances</u>			
Restricted for:			
General government			\$ 1
Law enforcement	\$ 1,519		153,495
Highways and streets		\$ 801,281	
Public safety	2,319		530,403
Recreation and culture			131,698
Social services			63
Debt service			2,255,126
Pension benefits			102,819
Capital projects			1,627,302
Total Restricted	3,838	801,281	4,800,907
Committed for:			
General government			78,943
Law enforcement			389,628
Highways and streets			978,605
Public safety			135,574
Recreation and culture			54,367
Total Committed			1,637,117
Unassigned	4,878,543		
Totals	\$ 4,882,381	\$ 801,281	\$ 6,438,024

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2012:

	December 31, 2012
Long-term liabilities	\$ 23,372,133
Noncancellable lease	9,471
Construction contracts	433,541
Total Commitments	\$ 23,815,145

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 10: Commitments (Continued)**

Long-term liabilities

Long-term liabilities at December 31, 2012 are comprised of the following:

	December 31, 2012
Sales and Use Tax Bonds, Series 2006, payable semiannually on March 1 and September 1 through 2031, interest ranging from 3.75% to 4.75%. Payments are to be made from the Sales and Use Tax Debt Service Series 2006 Fund.	\$ 5,935,000
Sales and Use Tax Bonds, Series 2007, payable semiannually on March 1 and September 1 through 2022, interest ranging from 3.5% to 4.2%. Payments are to be made from the Sales and Use Tax Debt Service Series 2007 Fund.	4,885,000
Franchise Fee Revenue Bonds, Series 2008 for street improvements, payable annually August 1, 2009 through 2029, interest ranging from 3.35% to 4.9%. Payments are to be made from the Street Franchise Bond Debt Service Series 2008 Fund.	4,010,000
Capital Improvement Refunding and Construction Revenue Bonds, Series 2010, payable semiannually February 1 and August 1 through February 2040, interest ranging from 2.0% to 5.0%. Payments are to be made from the Park Bond Debt Service Series 2010 Fund.	5,510,000
Note payable to Regions Bank, dated November 23, 2009, for the purchase of communication equipment, due in 60 monthly installments of \$10,119, interest rate of 4.45%. Payments are to be made from the Designated Tax Fund.	222,705
Note payable to Regions Bank, dated May 24, 2010, for the installation of a scoreboard and signage at Bishop Park, due in five annual installments of \$87,911, interest rate of 4.40%. Payments are to be made from the General Fund.	242,357
Note payable to Bank of the Ozarks, dated November 30, 2011, for the purchase of land and to construct a storage building, due in five annual installments of \$39,949, interest rate of 3.28%. Payments are to be made from the General Fund.	147,504
Note payable to Iberia Bank, dated April 9, 2012, for the purchase of police vehicles and equipment, payable in four annual installments of \$338,929, interest rate of 1.70%. Payments are to be made from the General Fund.	1,300,000
Unfunded liability balance due to Arkansas Public Employees Retirement System (APERS) determined by actuarial valuation as of December 31, 2004 and amortized over a 30-year period. Payment amounts are adjusted annually by APERS. Payments are to be made from the General Fund.	118,324
Compensated absences	1,001,243
Total Long-term liabilities	\$ 23,372,133

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

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 10: Commitments (Continued)**

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2012:

<u>Years Ending December 31,</u>	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
2013	\$ 2,013,069	\$ 589,871	\$ 2,602,940
2014	2,014,940	577,247	2,592,187
2015	2,014,613	465,933	2,480,546
2016	2,016,890	378,022	2,394,912
2017	2,015,994		2,015,994
2018 through 2022	9,228,676		9,228,676
2023 through 2027	6,525,585		6,525,585
2028 through 2032	3,214,376		3,214,376
2033 through 2037	1,797,295		1,797,295
2038 through 2040	1,085,250		1,085,250
Total Obligations	31,926,688	2,011,073	33,937,761
Less Interest	11,586,688	98,507	11,685,195
Total Principal	<u>\$ 20,340,000</u>	<u>\$ 1,912,566</u>	<u>\$ 22,252,566</u>

Noncancellable Lease

The City entered into a noncancellable lease agreement for office equipment. Terms of the lease are monthly rental payments of \$1,579 for 36 months. At the end of the lease term the City has the option to purchase the equipment for fair market value. The City is obligated for the following amount for the next year:

<u>Year</u>	<u>December 31, 2012</u>
2013	<u>\$ 9,471</u>

Rental expense for 2012 was \$18,942.

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2012:

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance December 31, 2012</u>
Senior Adult Center	May 2013	\$ 96,176
Forest Cove drainage improvements	September 2013	337,365
		<u>\$ 433,541</u>

**NOTE 11: Interfund Transfers**

The General Fund transferred \$702,763 of franchise fees and \$5,018 of donations to the Other Funds in the Aggregate. The Street Fund transferred \$348,000 to the General Fund for reimbursement of franchise fees. The Other Funds in the Aggregate transferred \$4,019,436 to the General Fund for police department, fire department, and parks expenses and sales taxes collected for police, fire, animal control, and parks and recreation, and \$929,500 to the Street Fund for sales taxes collected for streets. Within the Other Funds in the Aggregate, \$482,660 was transferred for sales taxes and debt service expenditures.

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 12: Prior Year Restatement**

The beginning fund balances for the General and Street Funds were restated by \$27,698 and (\$62,828), respectively, to correct prior-year errors in cash and accounts receivable.

**NOTE 13: Subsequent Events**

- A. On January 30, 2013, the City executed a promissory note in the amount of \$813,981 to finance the costs of acquiring two fire trucks.
- B. On November 12, 2013, voters approved the issuance of capital improvement bonds in the aggregate principal amount not to exceed \$4,400,000 to finance all or a portion of the costs of firefighting facility improvements.

**NOTE 14: Pledged Revenues – Sales and Use Taxes**

A. 2006 Capital Improvement Bonds

The City pledged future .625% sales and use taxes to repay \$8,850,000 in capital improvement bonds that were issued in 2006 to provide funding for the costs of acquiring, constructing, equipping, and furnishing park and recreational improvements. Total principal and interest remaining on the bonds are \$5,935,000 and \$3,840,274, respectively, payable through September 1, 2031. For 2012, principal and interest paid were \$450,000 and \$381,601, respectively.

B. 2007 Capital Improvement Bonds

The City pledged future .625% sales and use taxes to repay \$8,140,000 in capital improvement bonds that were issued in 2007 to provide funding for the costs of acquiring, constructing, equipping, and furnishing park and recreational improvements. Total principal and interest remaining on the bonds are \$4,885,000 and \$1,360,289, respectively, payable through September 1, 2022. For 2012, principal and interest paid were \$580,000 and \$223,498, respectively.

The Sales and Use Tax Bond Debt Service Series 2006 and Sales and Use Tax Bond Debt Service Series 2007 Funds each received \$935,722 in sales taxes in 2012. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for other city expenditures.

**NOTE 15: Pledged Revenues – Franchise Fees**

A. 2008 Capital Improvement Revenue Bonds

The City has pledged future franchise fees collected from public utilities for the privilege of using the streets, highways, and other public places in the City to repay \$4,545,000 in capital improvement revenue bonds that were issued in 2008 for the purpose of financing all or a portion of the cost of new streets and improvements to existing streets. Total principal and interest remaining on the bonds are \$4,010,000 and \$1,887,669, respectively, payable through August 1, 2029. For the current year, principal and interest paid were \$160,000 and \$187,330, respectively.

B. 2010 Capital Improvement Refunding and Construction Revenue Bonds

The City has pledged future franchise fees collected from public utilities for the privilege of using the streets, highways, and other public places in the City to repay \$5,725,000 in capital improvement refunding and construction revenue bonds that were issued in 2010 for the purpose of refunding the City's 2005 Capital Improvement Revenue Bonds; the repayment of outstanding promissory note dated February 1, 2006; the repayment of outstanding promissory note dated June 29, 2007, and to finance the completion of park improvements. Total principal and interest remaining on the bonds are \$5,510,000 and \$4,498,456, respectively, payable through February 1, 2040. For the current year, principal and interest paid were \$110,000 and \$243,373, respectively.

The General Fund received the pledged revenue and transferred \$348,999 to the Street Franchise Bond Fund Debt Service Series 2008 Fund and \$353,765 to the Park Bond Debt Service Series 2010 Fund. Pledged revenues received in excess of debt service requirements for these bond issues may be used for other city expenditures.

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 16: 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 \$250,000 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 BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 17: 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. 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.

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 18: 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, P. O. Drawer 34164, Little Rock, Arkansas 72203 or by calling 1-501-682-1745.

CITY OF BRYANT, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**NOTE 18: Local Police and Fire Retirement System (LOPFI)  
(A Defined Benefit Pension Plan) (Continued)**

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.

**NOTE 19: Arkansas Public Employees Retirement System**

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. PERS 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 PERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation.



CITY OF BRYANT, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

SPECIAL REVENUE FUNDS

	Designated Tax	Fire Equipment and Training (Act 833)	Police Equipment (Act 918)	Police Equipment (Act 988)	District Court Automation (Act 1809)	Drug Control	Special Sales Tax Fire
ASSETS							
Cash and cash equivalents	\$ 1,301,006	\$ 6,480	\$ 22,478	\$ 11,150	\$ 105,058	\$ 3,224	\$ 407,614
Investments							
Accounts receivable	310,157		1,288	400	2,801		116,309
Interfund receivables	25,954						
<b>TOTAL ASSETS</b>	<b>\$ 1,637,117</b>	<b>\$ 6,480</b>	<b>\$ 23,766</b>	<b>\$ 11,550</b>	<b>\$ 107,859</b>	<b>\$ 3,224</b>	<b>\$ 523,923</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable					\$ 136	\$ 50	
Settlements pending							
Total Liabilities					<u>136</u>	<u>50</u>	
Fund Balances:							
Restricted		\$ 6,480	\$ 23,766	\$ 11,550	107,723	3,174	\$ 523,923
Committed	\$ 1,637,117						
Total Fund Balances	<u>1,637,117</u>	<u>6,480</u>	<u>23,766</u>	<u>11,550</u>	<u>107,723</u>	<u>3,174</u>	<u>523,923</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,637,117</b>	<b>\$ 6,480</b>	<b>\$ 23,766</b>	<b>\$ 11,550</b>	<b>\$ 107,859</b>	<b>\$ 3,224</b>	<b>\$ 523,923</b>

CITY OF BRYANT, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

	<u>SPECIAL REVENUE FUNDS</u>					<u>CAPITAL PROJECTS FUNDS</u>	
	Special Sales Tax Parks	Bryant Senior Adult Center Grant	Animal Control Donation	Forest Cove Watershed	Sales and Use Tax Parks Operation and Maintenance	Street Franchise Bond Projects Series 2008	Police Fleet
ASSETS							
Cash and cash equivalents	\$ 92,927	\$ 63	\$ 4,931	\$ 1	\$ 1	\$ 1,627,302	\$ 1,706
Investments							
Accounts receivable			2,351		38,770		
Interfund receivables							
<b>TOTAL ASSETS</b>	<b><u>\$ 92,927</u></b>	<b><u>\$ 63</u></b>	<b><u>\$ 7,282</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 38,771</u></b>	<b><u>\$ 1,627,302</u></b>	<b><u>\$ 1,706</u></b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 1,706
Settlements pending							
Total Liabilities							<u>1,706</u>
Fund Balances:							
Restricted	\$ 92,927	\$ 63	\$ 7,282	\$ 1	\$ 38,771	\$ 1,627,302	
Committed							
Total Fund Balances	<u>92,927</u>	<u>63</u>	<u>7,282</u>	<u>1</u>	<u>38,771</u>	<u>1,627,302</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 92,927</u></b>	<b><u>\$ 63</u></b>	<b><u>\$ 7,282</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 38,771</u></b>	<b><u>\$ 1,627,302</u></b>	<b><u>\$ 1,706</u></b>

CITY OF BRYANT, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

	DEBT SERVICE FUNDS							
	Sales and Use Tax Bond Debt Service Series 2006	Sales and Use Tax Bond Debt Service Reserve Series 2006	Sales and Use Tax Bond Debt Service Series 2007	Sales and Use Tax Bond Debt Service Reserve Series 2007	Street Franchise Bond Fund Debt Service Series 2008	Street Franchise Bond Fund Debt Service Reserve Series 2008	Park Bond Debt Service Series 2010	Park Bond Debt Service Reserve Series 2010
ASSETS								
Cash and cash equivalents	\$ 386,732		\$ 388,044		\$ 150,119	\$ 592	\$ 207,926	\$ 568
Investments		\$ 269,663		\$ 341,380		173,717		181,307
Accounts receivable	77,539		77,539					
Interfund receivables								
<b>TOTAL ASSETS</b>	<b>\$ 464,271</b>	<b>\$ 269,663</b>	<b>\$ 465,583</b>	<b>\$ 341,380</b>	<b>\$ 150,119</b>	<b>\$ 174,309</b>	<b>\$ 207,926</b>	<b>\$ 181,875</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 464,271	\$ 269,663	\$ 465,583	\$ 341,380	\$ 150,119	\$ 174,309	\$ 207,926	\$ 181,875
Committed								
Total Fund Balances	464,271	269,663	465,583	341,380	150,119	174,309	207,926	181,875
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 464,271</b>	<b>\$ 269,663</b>	<b>\$ 465,583</b>	<b>\$ 341,380</b>	<b>\$ 150,119</b>	<b>\$ 174,309</b>	<b>\$ 207,926</b>	<b>\$ 181,875</b>

CITY OF BRYANT, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2012

Schedule 1

	<u>TRUST FUND</u>	<u>AGENCY FUNDS</u>			<u>Totals</u>
	<u>Firemen's Pension</u>	<u>Administration of Justice</u>	<u>Tax</u>	<u>District Court</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,954	\$ 3	\$ 23,149	\$ 166,450	\$ 4,910,478
Investments	99,865				1,065,932
Accounts receivable					627,154
Interfund receivables					25,954
<b>TOTAL ASSETS</b>	<b><u>\$ 102,819</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 23,149</u></b>	<b><u>\$ 166,450</u></b>	<b><u>\$ 6,629,518</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable					\$ 1,892
Settlements pending		\$ 3	\$ 23,149	\$ 166,450	189,602
<b>Total Liabilities</b>		<b><u>3</u></b>	<b><u>23,149</u></b>	<b><u>166,450</u></b>	<b><u>191,494</u></b>
Fund Balances:					
Restricted	\$ 102,819				4,800,907
Committed					1,637,117
<b>Total Fund Balances</b>	<b><u>102,819</u></b>				<b><u>6,438,024</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 102,819</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 23,149</u></b>	<b><u>\$ 166,450</u></b>	<b><u>\$ 6,629,518</u></b>

CITY OF BRYANT, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS								
	Designated Tax	Fire Equipment and Training (Act 833)	Police Equipment (Act 918)	Police Equipment (Act 988)	District Court Automation (Act 1809)	Drug Control	Special Sales Tax Fire	Special Sales Tax Parks	Bryant Senior Adult Center Grant
REVENUES									
State aid		\$ 8,831							
Federal aid									\$ 22
Sales taxes	\$ 3,742,889						\$ 1,403,584		
Fines, forfeitures, and costs			\$ 15,457	\$ 11,507	\$ 44,256	\$ 595			
Interest	561	3	8	4	65	3	172	\$ 87	
Other								3	
<b>TOTAL REVENUES</b>	<b>3,743,450</b>	<b>8,834</b>	<b>15,465</b>	<b>11,511</b>	<b>44,321</b>	<b>598</b>	<b>1,403,756</b>	<b>90</b>	<b>22</b>
EXPENDITURES									
Current:									
General government									
Law enforcement			2,619	3,596	69,521	3,451			
Highways and streets									
Public safety		9,843							
Social services									11,390
Total Current		9,843	2,619	3,596	69,521	3,451			11,390
Debt Service:									
Bond principal									
Bond interest and other charges									
Note principal	108,343						174,082		
<b>TOTAL EXPENDITURES</b>	<b>108,343</b>	<b>9,843</b>	<b>2,619</b>	<b>3,596</b>	<b>69,521</b>	<b>3,451</b>	<b>174,082</b>		<b>11,390</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,635,107	(1,009)	12,846	7,915	(25,200)	(2,853)	1,229,674	90	(11,368)
OTHER FINANCING SOURCES (USES)									
Transfers in								464,974	
Transfers out	(3,248,545)						(1,145,691)	(554,700)	
Note proceeds									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,248,545)</b>						<b>(1,145,691)</b>	<b>(89,726)</b>	

CITY OF BRYANT, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS								
	Designated Tax	Fire Equipment and Training (Act 833)	Police Equipment (Act 918)	Police Equipment (Act 988)	District Court Automation (Act 1809)	Drug Control	Special Sales Tax Fire	Special Sales Tax Parks	Bryant Senior Adult Center Grant
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 386,562	\$ (1,009)	\$ 12,846	\$ 7,915	\$ (25,200)	\$ (2,853)	\$ 83,983	\$ (89,636)	\$ (11,368)
FUND BALANCES - JANUARY 1	<u>1,250,555</u>	<u>7,489</u>	<u>10,920</u>	<u>3,635</u>	<u>132,923</u>	<u>6,027</u>	<u>439,940</u>	<u>182,563</u>	<u>11,431</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,637,117</u></u>	<u><u>\$ 6,480</u></u>	<u><u>\$ 23,766</u></u>	<u><u>\$ 11,550</u></u>	<u><u>\$ 107,723</u></u>	<u><u>\$ 3,174</u></u>	<u><u>\$ 523,923</u></u>	<u><u>\$ 92,927</u></u>	<u><u>\$ 63</u></u>

CITY OF BRYANT, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		
	Animal Control Donation	Forest Cove Watershed	Sales and Use Tax Parks Operation and Maintenance	Street Franchise Bond Projects Series 2008	Police Fleet	Land Acquisition and Construction	Sales and Use Tax Bond Debt Service Series 2006	Sales and Use Tax Bond Debt Service Reserve Series 2006	Sales and Use Tax Bond Debt Service Series 2007
REVENUES									
State aid									
Federal aid		\$ 1,624							
Sales taxes			\$ 467,861				\$ 935,722		\$ 935,722
Fines, forfeitures, and costs									
Interest	\$ 1			\$ 8,212	\$ 41		34	\$ 4,133	39
Other					164				
<b>TOTAL REVENUES</b>	<b>1</b>	<b>1,624</b>	<b>467,861</b>	<b>8,212</b>	<b>205</b>		<b>935,756</b>	<b>4,133</b>	<b>935,761</b>
EXPENDITURES									
Current:									
General government		1,624							
Law enforcement	6,418				1,300,205				
Highways and streets				491,390					
Public safety						\$ 16,933			
Social services									
Total Current	6,418	1,624		491,390	1,300,205	16,933			
Debt Service:									
Bond principal							450,000		580,000
Bond interest and other charges							390,980		227,405
Note principal									
<b>TOTAL EXPENDITURES</b>	<b>6,418</b>	<b>1,624</b>		<b>491,390</b>	<b>1,300,205</b>	<b>16,933</b>	<b>840,980</b>		<b>807,405</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,417)		467,861	(483,178)	(1,300,000)	(16,933)	94,776	4,133	128,356
OTHER FINANCING SOURCES (USES)									
Transfers in	5,018						4,560		5,596
Transfers out			(464,974)					(4,560)	
Note proceeds					1,300,000				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,018</b>		<b>(464,974)</b>		<b>1,300,000</b>		<b>4,560</b>	<b>(4,560)</b>	<b>5,596</b>

CITY OF BRYANT, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		
	Animal Control Donation	Forest Cove Watershed	Sales and Use Tax Parks Operation and Maintenance	Street Franchise Bond Projects Series 2008	Police Fleet	Land Acquisition and Construction	Sales and Use Tax Bond Debt Service Series 2006	Sales and Use Tax Bond Debt Service Reserve Series 2006	Sales and Use Tax Bond Debt Service Series 2007
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (1,399)		\$ 2,887	\$ (483,178)		\$ (16,933)	\$ 99,336	\$ (427)	\$ 133,952
FUND BALANCES - JANUARY 1	8,681	\$ 1	35,884	2,110,480		16,933	364,935	270,090	331,631
FUND BALANCES - DECEMBER 31	<u>\$ 7,282</u>	<u>\$ 1</u>	<u>\$ 38,771</u>	<u>\$ 1,627,302</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 464,271</u>	<u>\$ 269,663</u>	<u>\$ 465,583</u>



CITY OF BRYANT, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	DEBT SERVICE FUNDS					TRUST FUND	
	Sales and Use Tax Bond Debt Service Reserve Series 2007	Street Franchise Bond Fund Debt Service Series 2008	Street Franchise Bond Fund Debt Service Reserve Series 2008	Park Bond Debt Service Series 2010	Park Bond Debt Service Reserve Series 2010	Firemen's Pension	Totals
REVENUES							
State aid						\$ 3,724	\$ 12,555
Federal aid							1,646
Sales taxes							7,485,778
Fines, forfeitures, and costs							71,815
Interest	\$ 5,227	\$ 12	\$ 2,977	\$ 11	\$ 3,250	5,600	30,440
Other						306	473
<b>TOTAL REVENUES</b>	<b>5,227</b>	<b>12</b>	<b>2,977</b>	<b>11</b>	<b>3,250</b>	<b>9,630</b>	<b>7,602,707</b>
EXPENDITURES							
Current:							
General government							1,624
Law enforcement							1,385,810
Highways and streets							491,390
Public safety						19,751	46,527
Social services							11,390
Total Current						19,751	1,936,741
Debt Service:							
Bond principal		160,000		110,000			1,300,000
Bond interest and other charges		190,214		245,590			1,054,189
Note principal							282,425
<b>TOTAL EXPENDITURES</b>		<b>350,214</b>		<b>355,590</b>		<b>19,751</b>	<b>4,573,355</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,227</u>	<u>(350,202)</u>	<u>2,977</u>	<u>(355,579)</u>	<u>3,250</u>	<u>(10,121)</u>	<u>3,029,352</u>
OTHER FINANCING SOURCES (USES)							
Transfers in		352,496		357,797			1,190,441
Transfers out	(5,596)		(3,498)		(4,032)		(5,431,596)
Note proceeds							1,300,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,596)</b>	<b>352,496</b>	<b>(3,498)</b>	<b>357,797</b>	<b>(4,032)</b>		<b>(2,941,155)</b>

CITY OF BRYANT, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 2

	DEBT SERVICE FUNDS					TRUST FUND	
	Sales and Use Tax Bond Debt Service Reserve Series 2007	Street Franchise Bond Fund Debt Service Series 2008	Street Franchise Bond Fund Debt Service Reserve Series 2008	Park Bond Debt Service Series 2010	Park Bond Debt Service Reserve Series 2010	Firemen's Pension	Totals
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (369)	\$ 2,294	\$ (521)	\$ 2,218	\$ (782)	\$ (10,121)	\$ 88,197
FUND BALANCES - JANUARY 1	341,749	147,825	174,830	205,708	182,657	112,940	6,349,827
FUND BALANCES - DECEMBER 31	<u>\$ 341,380</u>	<u>\$ 150,119</u>	<u>\$ 174,309</u>	<u>\$ 207,926</u>	<u>\$ 181,875</u>	<u>\$ 102,819</u>	<u>\$ 6,438,024</u>

CITY OF BRYANT, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2012

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

<u>Fund Name</u>	<u>Fund Description</u>
Designated Tax	Bryant Ordinance no. 1996-8 (March 25, 1996) provided for the levy of a one cent sales and use tax for the purpose of street improvements (30%), fire department (25%), police department (25%), city parks (10%), and animal control (10%).
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires insurance premium tax funds to be distributed by the County to municipal fire departments for training, purchase and improvement of fire fighting equipment, and initial capital construction or improvements of fire departments.
Police Equipment (Act 918)	Ark. Code Ann. § 12-41-701 established fund to receive a portion of fines and penalties to be used for law enforcement purposes.
Police Equipment (Act 988)	Ark. Code Ann. § 27-22-103 established fund for increasing the fine for failure to license motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles.
District Court Automation (Act 1809)	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.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Special Sales Tax Fire	Bryant Ordinance no. 2006-19 (April 24, 2006) authorized and pledged a 3/8 cent sales tax for fire department purposes.
Special Sales Tax Parks	Bryant Ordinance no. 2006-19 (April 24, 2006) authorized and pledged a 1/8 cent sales tax for park and recreational purposes.

CITY OF BRYANT, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2012

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

<u>Fund Name</u>	<u>Fund Description</u>
Bryant Senior Adult Center Grant	Established to account for an Arkansas Economic Development Council Grant.
Animal Control Donation	Bryant Ordinance no. 2011-24 (October 24, 2011) established fund to account for donations for the purpose of animal control.
Forest Cove Watershed	Established to account for an Arkansas Economic Development Council Grant.
Sales and Use Tax Parks Operation and Maintenance	Bryant Ordinance no. 2006-33 (August 10, 2006) authorized the issuance of sales and use tax bonds for the purpose of financing improvements, construction, and operation and maintenance of parks and recreation facilities.
Street Franchise Bond Projects Series 2008	Bryant Ordinance no. 2008-40 (November 20, 2008) authorized the issuance of franchise fee revenue bonds for the purpose of financing improvements to new or existing streets.
Police Fleet	Bryant Ordinance no. 2012-07 (March 1, 2012) authorized a promissory note for the purpose of acquiring police vehicles and equipment.
Land Acquisition and Construction	Bryant Ordinance no. 2011-16 (August 25, 2011) authorized a promissory note for the purpose of acquiring land and constructing a building.
Sales and Use Tax Bond Debt Service Series 2006	Bryant Ordinance no. 2006-33 (August 10, 2006) authorized the issuance of sales and use tax bonds for the purpose of financing improvements, construction, and operation and maintenance of parks and recreation facilities.
Sales and Use Tax Bond Debt Service Reserve Series 2006	Bryant Ordinance no. 2006-33 (August 10, 2006) authorized the issuance of sales and use tax bonds for the purpose of financing improvements, construction, and operation and maintenance of parks and recreation facilities.

CITY OF BRYANT, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2012

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

<u>Fund Name</u>	<u>Fund Description</u>
Sales and Use Tax Bond Debt Service Series 2007	Bryant Ordinance no. 2007-07 (February 26, 2007) authorized the issuance of sales and use tax bonds for the purpose of financing a portion of the cost of improvements and construction of parks and recreation facilities.
Sales and Use Tax Bond Debt Service Reserve Series 2007	Bryant Ordinance no. 2007-07 (February 26, 2007) authorized the issuance of sales and use tax bonds for the purpose of financing a portion of the cost of improvements and construction of parks and recreation facilities.
Street Franchise Bond Fund Debt Service Series 2008	Bryant Ordinance no. 2008-40 (November 20, 2008) authorized the issuance of franchise fee revenue bonds for the purpose of financing improvements to new or existing streets.
Street Franchise Bond Fund Debt Service Reserve Series 2008	Bryant Ordinance no. 2008-40 (November 20, 2008) authorized the issuance of franchise fee revenue bonds for the purpose of financing improvements to new or existing streets.
Park Bond Debt Service Series 2010	Bryant Ordinance no. 2010-05 (February 11, 2010) authorized the issuance of capital improvement refunding and construction revenue bonds, series 2010 for the purpose of refunding bond series 2005, paying off promissory notes, and providing financing for the remaining improvements on the park project.
Park Bond Debt Service Reserve Series 2010	Bryant Ordinance no. 2010-05 (February 11, 2010) authorized the issuance of capital improvement refunding and construction revenue bonds, series 2010 for the purpose of refunding bond series 2005, paying off promissory notes, and providing financing for the remaining improvements on the park project.
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.

CITY OF BRYANT, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2012

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

<u>Fund Name</u>	<u>Fund Description</u>
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the City's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the City.
Tax	City established fund to receive electronic transfers from federal and state agencies.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the District Court.

CITY OF BRYANT, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2012  
(Unaudited)

Schedule 3

	<u>December 31, 2012</u>
Land	\$ 3,289,025
Buildings	6,315,246
Equipment	<u>7,970,053</u>
Total	<u>\$ 17,574,324</u>

CITY OF BRYANT, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
DECEMBER 31, 2012  
(Unaudited)

Schedule 4

<u>General</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Assets	\$ 5,421,130	\$ 4,197,956	\$ 3,846,907	\$ 2,949,294	\$ 3,257,679
Total Liabilities	538,749	223,805	135,425	143,307	47,845
Total Fund Balances	4,882,381	3,974,151	3,711,482	2,805,987	3,209,834
Total Revenues	8,350,289	7,513,907	6,897,690	6,273,198	6,671,675
Total Expenditures	11,129,412	10,668,865	9,282,171	9,444,902	9,228,509
Total Other Financing Sources/Uses	3,659,655	3,417,627	3,289,976	2,767,857	2,980,266
 <u>Street</u>					
Total Assets	\$ 904,078	\$ 778,080	\$ 322,331	\$ 324,509	\$ 231,043
Total Liabilities	102,797	31,271	27,748	23,014	12,275
Total Fund Balances	801,281	746,809	294,583	301,495	218,768
Total Revenues	1,170,810	1,154,374	846,574	779,551	878,433
Total Expenditures	2,112,803	1,618,148	1,231,036	972,622	894,978
Total Other Financing Sources/Uses	1,059,293	916,000	377,550	275,798	125,000
 <u>Other Funds in the Aggregate</u>					
Total Assets	\$ 6,629,518	\$ 6,661,716	\$ 7,527,177	\$ 15,164,663	\$ 21,414,445
Total Liabilities	191,494	311,889	357,294	187,561	240,455
Total Fund Balances	6,438,024	6,349,827	7,169,883	14,977,102	21,173,990
Total Revenues	7,602,707	7,717,360	6,941,902	7,301,005	7,541,618
Total Expenditures	4,573,355	4,385,289	13,571,810	11,022,707	7,022,895
Total Other Financing Sources/Uses	(2,941,155)	(4,152,127)	(1,177,311)	(2,475,186)	1,351,325