



CITY OF BRYANT, ARKANSAS
Annual Financial Report for the Year Ended
December 31, 2018 with Independent Auditor's Report

Annual Financial Report

For the Year Ended December 31, 2018

With Independent Auditor's Report

Prepared by: Finance Department

Joy Black, CPA

Finance Director

City of Bryant, Arkansas
Annual Financial Report
For the Fiscal Year Ended December 31, 2018

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INTRODUCTORY SECTION

**City of Bryant
Finance Department**

**City Hall
210 S. W. 3rd Street
Bryant, Arkansas 72022**

January 27, 2020

To the Members of the Council
and Citizens of the City of Bryant, Arkansas

State law requires that all cities of the first class publish a complete set of financial statements audited by licensed, certified public accountants. Pursuant to the fulfillment of that requirement, we hereby issue the annual financial report for the City of Bryant, Arkansas, for the year ended December 31, 2018.

This report consists of management's representations relating to the finances of the City of Bryant (city). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report based on a comprehensive internal control framework that is designed for that purpose. Because the cost of internal controls should not outweigh their benefits, the object is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatement.

JWCK, Ltd., certified public accountants, issued an unmodified (clean) opinion on the city of Bryant's financial statements for the year ended December 31, 2018. The independent auditor's report is found at the beginning of the financial section of this report.

The City of Bryant was incorporated in 1892 as a political subdivision of the State of Arkansas. Bryant is in west central Arkansas about 15 miles southwest of the state capitol, Little Rock. The city has a total land area of 9.1 square miles and a population of 16,688 in the 2010 Census. Since 2010, Bryant has experienced substantial growth and current estimates have the population closer to 20,000.

The city has operated under the Mayoral form of government since its inception. Policymaking and legislative authority are vested in a Council consisting of the Mayor and eight other council members. The Council is responsible for, among other things, passing ordinances, adopting the budget, and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the city, for overseeing the day-to-day operations of the city and for appointing the heads of the various departments. The Council is elected on a nonpartisan basis. The Mayor is a voting member of the Council with veto power, and presides over Council meetings. Council members serve two-year terms with all eight members elected every two years. The Mayor is elected by the city at large, and the other Council members are elected by ward. There are two Council members per each of the four Wards.

The city provides a full range of services, including police and fire protection, planning and community development, parks and recreation, construction and maintenance of city streets and traffic signals, water and wastewater services, and stormwater management (MS4, Municipal Separate Stormwater System). A dedicated funding source for Stormwater was added in 2016.

The annual budget serves as the foundation for the city's financial planning and control and is the major policy document of the Council. Budget preparation begins in September, with each department developing a budget to achieve operational goals and objections pursuant to the city's strategic focus areas. Meetings are held with the Mayor, Department Heads and Council and a proposed budget for the entire city is developed. The Mayor presents the proposed budget to the Council. Work sessions are held, and a final budget is presented and adopted by Resolution in a formal Council meeting.

The appropriated budget is adopted mostly by expense category and consequently this level of detail becomes the legal level of control. Budget transfers between line items require the approval of the Council. Budgets for major governmental funds are in the financial section of this report.

Economic Conditions and Outlook

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment in which the city operates.

The city of Bryant began as a very small town on the outskirts of the state's capital, Little Rock. As the capital and Bryant both grew their borders became closer and closer. Bryant has developed a very strong school system and many people come to the area to participate in that school system. The Bryant School District is now much larger than the borders of the city itself so many people feel an allegiance to the city even if they do not actually live within the city limits.

The City has many municipal activities that draw people out in the community. One of the biggest events is Salt Bowl in September each year. Salt Bowl is where the Bryant School District's football team competes against the neighboring football team of Benton. Over 30,000 annually attend this event. The city in conjunction with the Chamber of Commerce also supports Fall Fest, another largely attended community event.

Although Bryant is consistently growing and maturing as a community it struggles with having a clearly defined center or recognizable Bryant landmark or gathering place. The city applied and was granted a \$1.2 million dollar grant to begin work on creating that "Place" as the Heart of Bryant, a downtown area for gathering, business, and community. In 2018 the work facilitated by this grant was completed and a section of Reynolds Road now has functioning sidewalks, landscaping and traffic flow patterns to encourage not discourage non automobile traffic. The city is waiting to see if these improvements bring about the increased use of this area in a more town center way.

The city is bordered on all four sides and few places still exist to be annexed. To the north is Springhill, which is contractually served by the city's fire department in exchange for annual money received. This money is tracked separately through its own department.

In 2003, the city settled with the Salem Water Users Association/Public Water Authority. This settlement is for 21 years and terminates on March 14 of 2024 unless first Salem Water Authority ceases to be an operating entity or their debts are extinguished or paid off. Under the current settlement, Bryant had to pay Salem the sum of .25 cents per 1000 gallons billed by Bryant to those retail customers existing as of September 10, 2001, a total of 479 billing entities, none of which now remain. For other Salem water users, the city shall pay .20 cents per 1000 gallons until February, 2020. Only one of these remains. These funds are tracked separately in a Special Revenue Fund.

In 2005, the city entered into an agreement (Agreement dated August of 2005, Ordinance 2004-19) with the Saline County Waterworks and Sanitary Sewer Public Facilities Board (Woodland Hills). The agreement states that the City of Bryant will facilitate the pass through of a minimum of 1000 gallons and a maximum of 500,000 gallons per day of water to Woodland Hills for the price charged the City of Bryant from the Central Arkansas Water Authority (CAW). This agreement terminates 20 years from the date of the agreement on August 11, 2024.

The city has several major employers (over 100 employees). Two major employers are the city itself and the school district. Others are primarily in the retail and the healthcare industries. For a number of years the city has seen vast growth in rooftops but has struggled to get consistent supporting commercial growth. In 2016, two bond "refinancings" were completed that will allow for the completion of a new set of on and off ramps to I-30 (a major interstate that divides the city in half from east to west) and a major connector road to the Saline County Airport (run by an autonomous commission). These two major projects will allow for more commercial development in the future.

As a state, Arkansas' local economies are commonly supported by sales tax. Arkansas has a state sales tax of 6.5%, collected across the state. In Bryant, another 3% is collected and used by the city/local government. This sales tax makes up approximately 54% of general fund income.

In addition to offering water and wastewater services to city residents, the city also provides those services for a significant part of the surrounding area through reciprocal agreements.

Like most cities, it is a struggle for revenues to keep pace with expenses. While Bryant has faced challenges in 2018, it is fortunate to have a variety of community-minded citizens dedicated to growing the city. It continues to attract new residents and businesses.

Acknowledgments

The Financial Statements are prepared by the City based on financial reporting provisions of Ark. Code Ann. 10-4-412, which is a basis of accounting other than the accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The preparation of the annual financial report is a team effort of the entire city staff, particularly the finance department staff. The city appreciates the commitment to the quality of this project and the many hours spent on the report. Credit must also be given to the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the city's finances.

Respectfully submitted,



Allen E. Scott, Mayor



Joy Black, Finance Director

List of Elected Positions

Bryant has operated under the Mayoral Form of Government since its' inception.
 (Shown to the right)
 Mayor Jill Dabbs has been Mayor since January 1, 2011 and served through December 31, 2018.



Josh Farmer

- City Attorney
- Elected



Jill Dabbs

- Mayor
- Elected



Sue Ashcraft

- City Clerk
- Elected



Judge Stephanie Casady

- District Court of Saline County
- Elected



Lorne Gladden

- Ward 1 Position 1
- Elected



Wade Permenter

- Ward 1 Position 2
- Elected



Allen Scott was Elected Mayor to start 1/1/2019

- Ward 2 Position 1
- Elected



Star Henson

- Ward 2 Position 2
- Elected



B.E. Higginbotham

- Ward 3 Position 1
- Elected



Rob Roedel

- Ward 3 Position 2
- Elected



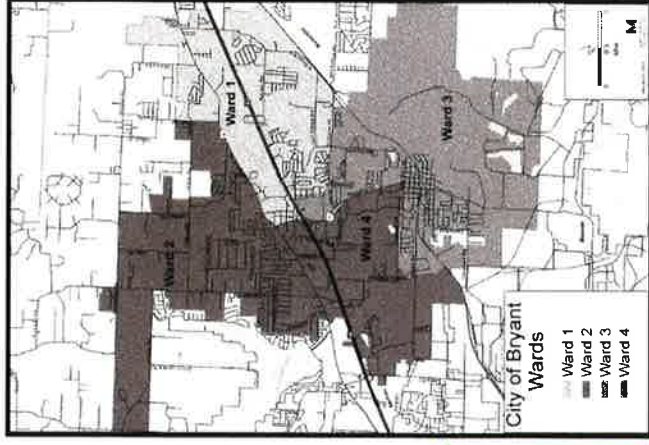
Brenda Miller

- Ward 4 Position 1
- Elected



Carlton Billingsley

- Ward 4 Position 2
- Elected



List of Department Directors Appointed by the Mayor

Administration Dept - Human Resources, Finance and Legal



Charlotte Rue
 • HR Director
 • Appointed by the Mayor



Joy Black
 • Finance Director
 • Appointed by the Mayor



Chris Madison
 • Staff Attorney
 • Appointed by the Mayor

Planning Dept - Community Development



Truitt Smith
 • Director of Planning
 • Appointed by the Mayor

Public Safety Depts - Animal, Fire, Police and Code



Tricia Power
 • Director of Animal Control
 • Appointed by the Mayor



JP Jordan
 • Fire Chief
 • Appointed by the Mayor



Mark Kizer
 • Police Chief
 • Appointed by the Mayor



Greg Huggs
 • Director of Code
 • Appointed by the Mayor

Parks Dept



Chris Treat
 • Director of Parks
 • Appointed by the Mayor

Public Works Dept



Mark Grimmelt
 • Director of Public Works
 • Appointed by the Mayor

This report is for the period ending 12/31/2018. Chief Kizer and Staff Attorney Chris Madison left the city's employment effective 12/31/18.

List of Funds overseen by Department Directors

Fund #	Description	Department	Fund #	Description	Department
002	Sales Tax Refund	General Govt	030	Act 1256 of 1995 Admin of Justice	District Court
003	Franchise Fees	General Govt	031	Act 1809 of 2001 Court Automation	District Court
005	Designated Tax Fund	General Govt	080	Street Fund	Public Works
010	Electronic Tax and Payroll	General Govt	185	Street Bond 2016 Debt Service	Public Works
110	Special Redemp Fund	General Govt	186	Street Bond 2016 Debt Service Reserve	Public Works
113	Debt Service Reserve	General Govt	187	Street Construction Fund -2016 Bond	Public Works
114	2016 Sales and Use Bond Fund	General Govt	188	Street Bond Franchise	Public Works
020	Animal Donations	Animal Control	500	Utility Revenues	Public Works
045	1/8 Sales Tax	Parks	510	Utility Operating	Public Works
147	Parks Bond 2016 Construction	Parks	515	MS4 Stormwater	Public Works
050	Fire Donations	Fire	520	Water Depreciation	Public Works
051	Act 833 of 1991	Fire	525	Waste Water Depreciation	Public Works
055	Fire 3/8 Sales Tax	Fire	530	Sub Div Impact Water	Public Works
157	Fire Bond 2016 Construction	Fire	535	Sub Div Impact Wastewater	Public Works
061	Act 918 of 1983	Police	550	Impact Water	Public Works
062	Act 988 of 1991 Emergency Vehicles	Police	555	Impact Wastewater	Public Works
066	Federal Drug Control	Police	560	Salem Royalty	Public Works
068	State Drug Control	Police	602	W/WW Ref Rev Bds 2017.COI Fd	Public Works
165	PD Fleet / Long Term Govt Debt Fund	Admin	604	W/WW Ref Rev Bds 2017 Bond Fund	Public Works
			606	W/WW Ref Rev Bds 2017 DSR	Public Works

*DSR - Debt Service Reserve

*COI - Cost of Issuance

FINANCIAL SECTION



Partners
Gary D. Welch, CPA, CVA
Jimmy M. Pate, CPA, CBA, CMA, CVA, CRCM
Courtney W. Moore, CPA, CFE, CGMA
Christina B. Ellis, CPA

Principals
Dennis C. Fason, CPA
Phyllis A. Trent, CPA

Founding Partners
Joe L. Woosley, CPA
(1932-Present)
Harry C. Keaton, CPA
(1920-2005)
Clarence W. Jordan, CPA
(1930-2009)
Glen W. Crone, Jr., CPA
(1936-2016)

City of Bryant, Arkansas

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities prepared in accordance with accounting standards generally accepted in the United States of America, each major fund, and the aggregate remaining fund information of the City of Bryant, Arkansas, (City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of its governmental activities financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances.

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126 Hobson Ave.
Hot Springs, AR 71901

Management is responsible for the preparation and fair presentation of the financial statements of the business-type activities in accordance with accounting principles generally accepted in the United States of America. 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 audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities prepared in accordance with accounting principles generally accepted in the United States of America, each major fund, and the aggregate remaining fund information of the City of Bryant, Arkansas, as of December 31, 2018, and the respective changes in financial position-modified cash basis governmental activities and business-type activities prepared in accordance with accounting principles generally accepted in the United States of America and, where applicable, cash flows, thereof and the respective budgetary comparison-modified cash basis for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of the governmental activities are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter. The financial statements of the business-type activities are prepared in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bryant, Arkansas' basic financial statements.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by that missing information.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City of Bryant, Arkansas' 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 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 of Bryant, Arkansas' internal control over financial reporting and compliance.

JWCK, Ltd

Hot Springs, Arkansas

January 27, 2020

BASIC FINANCIAL STATEMENTS

	Modified Cash Basis Governmental Activities	GAAP Basis Business-type Activities	Primary Government
ASSETS			
Cash and cash equivalents	11,844,807	5,523,305	17,368,112
Investments	13,625,394		13,625,394
Accounts receivable(net of allowance for uncollectibles)	740,927	322,532	1,063,459
Fixed Assets (Net of Accumulated Depreciation)	30,322,388	38,119,995	68,442,383
Total Assets	56,533,516	43,965,832	100,499,348
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension contributions	4,557,989	129,119	4,687,108
Pension - changes in assumptions	520,056		520,056
Pension - difference between expected and actual experience	532,075		532,075
Pension - Net difference between projected and actual earnings on pension plan investments	794,104		794,104
Pension - Changes in proportion and differences between City contributions and proportionate share of contributions	2,840,873		2,840,873
Total Deferred Outflows of Resources	9,245,097	129,119	9,374,216
LIABILITIES			
Accounts payable	384,714	185,730	570,444
Customer deposits payable		612,641	612,641
Accrued interest	70,641	89,231	159,872
Note/Contract payable	548,995	116,512	665,507
Short Term Portion of Long Term Debt	1,035,000	1,113,436	2,148,436
Other liabilities	28,072		28,072
Total Current Liabilities	2,067,422	2,117,549	4,184,972
Due in more than one year:			
Bond payable	34,995,000	16,275,015	51,270,015
Note/Contract Payable	1,082,508	370,074	1,452,582
OPEB Liability	1,034,122		1,034,122
Net Pension Liability	15,964,861	639,904	16,604,765
Total Noncurrent Liabilities	53,076,491	17,284,992	70,361,484
Total Liabilities	55,143,913	19,402,542	74,546,455
DEFERRED INFLOWS OF RESOURCES			
Deferred pension experience gains	1,752,100	76,925	1,829,025
OPEB - changes in assumptions	55,975		55,975
OPEB - difference between expected and actual experience	84,566		84,566
Pension - changes in assumptions	282,664		282,664
Pension - difference between expected and actual experience	48,776		48,776
Pension - Net difference between projected and actual earnings on pension plan investments	1,124,038		1,124,038
Pension - Changes in proportion and differences between City contributions and proportionate share of contributions	373,547		373,547
Total Deferred Inflows of Resources	3,721,666	76,925	3,798,591
NET POSITION			
Net investment in capital assets			
Restricted for:			
Public safety	6,913,034	24,615,482	6,913,034
Public works		24,615,482	24,615,482
Total Net Position	6,913,034	24,615,482	31,528,516

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
 Government Wide Statement of Activities
 For the Year Ended December 31, 2018

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Operating		Capital	Primary Government		Total
	Charges for Services	Grants and Contributions	Grants and Contributions	Activities (Modified Cash Basis)	Business-type Activities (GAAP Basis)	
Expenses						
FUNCTIONS/PROGRAMS						
Governmental Activities (Modified Cash Basis):						
General government	1,796,359	18,843		(1,777,515)		(1,777,515)
Community development	254,938	3,484		(251,454)		(251,454)
Parks and recreation	2,702,383	1,023,405	250,000	(1,428,978)		(1,428,978)
Public safety	8,834,113	2,073,985	26,300	(6,733,828)		(6,733,828)
Public works (Street)	1,975,264	1,589,742		(385,522)		(385,522)
Interest expense	38,429			(38,429)		
Total Governmental Activities	15,601,486	4,709,459	250,000	(10,615,726)		(10,615,726)
Business-Type Activities (GAAP Basis):						
Water, Wastewater and Stormwater	6,382,112	8,962,404			2,580,292	2,580,292
Non-operating	609,274				(609,274)	(609,274)
Total Business-Type Activities	6,991,386	8,962,404			1,971,018	1,971,018
Total Primary Government	22,592,872	13,671,863	250,000	(10,615,726)	1,971,018	(8,644,708)
Sales taxes				15,478,227		15,478,227
Franchise Fees				1,325,949		1,325,949
State turnback proceeds				2,105,599		2,105,599
Investment earnings				578,545	12,778	591,323
Transfers					(8,223)	(8,223)
Total general revenues and transfers				19,488,320	4,555	19,492,874
Change in net position				8,872,594	1,975,573	10,848,167
Net position - beginning after restatement				(1,959,558)	22,639,909	20,680,351
Net position - ending				6,913,036	24,615,482	31,528,518

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
 Balance Sheet - Modified Cash Basis
 Governmental Funds
 December 31, 2018

	Special Revenue				Total Governmental Funds
	General Fund	Street Fund	Other Governmental Funds		
ASSETS					
Cash and cash equivalents	\$ 8,328,562	\$ 1,271,189	\$ 1,456,814	\$	11,056,565
Investments	1,410,602	11,217,446			12,628,047
Accounts receivable	306,272	434,655			740,927
Other Assets	377	400			777
Total Assets	10,045,814	12,923,689	1,456,814	\$	24,426,317
LIABILITIES					
Accounts payable	111,088	272,799			383,887
Unearned revenue	1,604		28,072		29,676
Total Liabilities	112,692	272,799	28,072	\$	413,563
FUND BALANCES					
Unrestricted					
Restricted					
LOPFI	9,933,122				9,933,122
Public works		12,650,890	316,511		12,967,401
Public safety			886,818		886,818
Parks and Recreation			225,411		225,411
Total Fund Balances	9,933,122	12,650,890	1,428,740	\$	24,012,752
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,045,814	\$ 12,923,689	\$ 1,456,812	\$	24,426,315

The notes to the financial statements are an integral part of this statement.

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (page 16)	24,012,752
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,322,388
Long term liabilities, (notes and bonds payable) are not due and payable in the current period and therefore are not reported in the funds	(35,946,556)
Net pension and OPEB liabilities are not reported in the funds.	(16,998,983)
Deferred outflows related to pension contribution and investment losses are not reported in the funds.	9,245,097
Deferred inflows related to differences in pension experience and OPEB are not reported in the funds.	(3,721,666)
Net position of governmental activities (page 14)	6,913,032

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances Modified Cash Basis
Governmental Funds
For the Year Ending December 31, 2018

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 5,431,867	\$ 1,624,835	\$ 6,757,435	\$ 13,814,137
Fees and permits	536,886			536,886
Membership and Rental Fees, Park Programming	502,948			502,948
Grant Revenues	276,300			276,300
Reimbursements	359,555	1,587,990	38,851	1,986,396
Sale of services	1,642,833			1,642,833
Fines and forfeitures	619,103		29,676	648,779
Investment earnings	95,481	222,489	1,089	319,059
Misc. *	615,758	1,752	9	617,519
Total Revenues	10,080,731	3,437,066	6,827,060	20,344,857
EXPENDITURES				
General Government	902,379			902,379
Planning	254,938			254,938
Parks and recreation	2,702,383			2,702,383
Public safety	8,872,985	1,742,464	107,749	8,980,734
Public works				1,742,464
Debt service	482,843			482,843
Interest and other charges	38,429			38,429
Capital Outlay	8,784,636	7,651,834		16,436,470
Total Expenditures	22,038,591	9,394,298	107,749	31,540,638
Excess (deficiency) of revenues over (under) expenditures	(11,957,860)	(5,957,232)	6,719,311	(11,195,781)
OTHER FINANCING SOURCES (USES)				
Transfers in	11,522,381	2,086,000		13,608,381
Transfers out	(5,542,403)	(118)	(7,597,246)	(13,139,767)
Total other financing sources (uses)	5,979,978	2,085,882	(7,597,246)	468,614
Changes in fund balances	(5,977,882)	(3,871,350)	(877,935)	(10,727,167)
Fund balance - beginning after restatement	15,911,004	16,522,239	2,306,676	34,739,919
Fund balance - ending	9,933,122	12,650,889	1,428,741	24,012,752
*Sale of Equip, Donations and Sponsorships				

The notes to the financial statements are an integral part of this statement.

Amounts reported for governmental activities in the statement of activities are different because:	
Net Changes in Fund Balances - total governmental funds (page 18)	(10,727,167)
Governmental Funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	16,436,470
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.	0
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, it has no effect on the net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	482,843
Pension expense is reported as the amount paid in the fund, but incorporates deferred outflows and deferred inflows in the Statement of Activities.	2,724,360
Change in the net position of governmental activities (page 15)	8,916,506

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2018

	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales Tax	\$ 5,350,700	\$ 5,350,700	\$ 5,431,867	\$ 81,167
License, Permits, and Fees	292,045	457,045	536,886	79,841
Other (Membership Fees, Rental Fees, Park Program Fees)	674,998	674,998	640,463	(34,535)
Grant Revenue	41,200	291,200	276,300	(14,900)
Reimbursements (SRO, Court, Code)	394,500	400,500	359,555	(40,945)
Sale of services	1,476,270	1,492,070	1,505,318	13,248
Fines and forfeitures	539,700	574,700	619,103	44,403
Investment earnings	2,055	2,055	95,481	93,426
Miscellaneous (Sale of equip, Donations, Sponsorships)	307,770	597,726	615,758	18,032
Total Revenues	9,079,238	9,840,994	10,080,731	239,737
EXPENDITURES				
Admin (Mayor, City Clerk, Finance, Attorney, HR, IT)	1,090,039	1,208,739	951,711	257,028
Planning	264,304	379,804	254,938	124,866
Parks and Recreation	4,352,212	6,613,573	6,373,494	240,079
Public Safety:				
Police	4,512,281	4,684,696	4,562,215	122,481
Fire	5,885,678	9,796,502	8,647,796	1,148,706
Court	430,820	438,850	427,279	11,571
Code	343,696	416,976	401,122	15,854
Animal	479,540	491,761	463,949	27,812
Total Public Safety	11,652,015	15,828,785	14,502,361	1,326,425
Total Expenditures	17,358,570	24,030,900	22,082,504	1,948,397
Excess (deficiency) of revenues over expenditures				
OTHER FINANCING SOURCES (USES)				
Transfers in	10,062,770	11,368,006	11,522,381	154,375
Transfers out	(5,617,950)	(5,617,950)	(5,542,403)	75,547
Total Other Financing Sources and Uses	4,444,820	5,750,056	5,979,978	229,922
Net change in fund balance	(3,834,512)	(8,439,850)	(6,021,795)	2,418,055
Fund balances - beginning after restatement			15,911,004	
Fund balances - ending			9,889,209	

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
Street Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,410,695	\$ 1,410,695	\$ 1,624,835	\$ 214,140
Reimbursements	50,000	1,025,000	1,587,990	562,990
Investment earnings	750	750	222,489	221,739
Miscellaneous	25,000	25,000	1,752	(23,248)
Total Revenues	1,486,445	2,461,445	3,437,066	\$ 975,621
EXPENDITURES				
Public works: Street and Stormwater Operations				
Personnel	978,779	982,559	927,599	54,960
Services (Building, Grounds)	74,882	78,382	66,349	12,034
Supplies (and Vehicle)	367,250	446,250	361,121	85,129
Supplies and Operations	710,200	706,700	343,423	363,277
Misc (including Construction not Capital)	638,166	640,166	43,972	596,194
Capital Outlay	5,046,896	9,925,396	7,651,834	2,273,563
Total Expenditures	7,816,173	12,779,453	9,394,298	3,385,155
Excess (deficiency) of revenues over (under)	(6,329,728)	(10,318,008)	(5,957,232)	(2,409,534)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,336,000	2,086,000	2,086,000	(0)
Transfers out		(9,200)	(118)	9,082
Total Other Financing Sources (uses)	1,336,000	2,076,800	2,085,882	9,082
Net change in fund balance	(4,993,728)	(8,241,208)	(3,871,349)	4,369,860
Fund balance - beginning			16,522,239	
Fund balance - ending			\$ 12,650,890	

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Water and Wastewater Revenue and Operating Funds -GAAP Basis
For the Year Ending December 31, 2018

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Sale of Services	7,811,359	7,811,359	7,997,672	186,313
Reimbursement Revenue	0	424,000	726,360	302,360
Miscellaneous Revenue	105,100	105,100	238,372	133,272
Total Operating Revenues	7,916,459	8,340,459	8,962,404	621,945
OPERATING EXPENSES				
Personnel Costs	1,857,587	1,914,477	1,300,890	613,587
Building & Grounds	548,678	549,878	479,166	70,712
Vehicles related expenses	131,950	151,950	145,395	6,555
Supplies/water purchases	1,825,450	2,059,450	2,021,889	37,561
Operational expenses	794,500	503,500	420,774	82,726
Professional Services	141,750	180,750	137,240	43,510
Miscellaneous Operational Expenses	207,795	230,795	157,995	72,800
Depreciation			1,718,763	(1,718,763)
Transfers	4,000	475,500	8,223	467,277
Total Operating Expenses	5,511,710	6,066,300	6,390,335	(324,035)
Non-operating Revenues (Expenses)				
Interest Income	60	60	12,778	12,838
Interest Expense	(724,000)	(543,000)	(534,509)	8,491
Bond Fees	(630,000)	(1,117,000)	(74,765)	1,042,235
Changes in net position	(1,353,940)	(1,659,940)	(596,496)	1,063,444
Fund balance - beginning	1,050,809	614,219	1,975,573	1,361,354
Fund balance - ending			22,639,909	
			24,615,482	

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas
Statement of Cash Flows-GAAP Basis
Proprietary Funds
For the Year Ended December 31, 2018
Business Type Activities

Cash flows from operating activities	
Receipts from customers	9,058,177
Payments to employees	(3,915,632)
Payments to suppliers	(1,301,829)
Net cash provided by operating activities	<u>3,840,716</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(2,989,522)
Interest paid on capital debt	(534,509)
Principal paid on capital debt	(1,233,245)
Other Receipts (payments)	(435,225)
Net cash used in capital and Related Financing Activities	<u>(5,192,500)</u>
Cash flows from Investing Activities	
Interest	12,778
Net cash used in capital and related financing activities	<u>12,778</u>
Decrease in cash and cash equivalents	
Cash and cash equivalents -- January 1	(1,339,006)
Cash and cash equivalents -- December 31	6,862,311
	<u>\$ 5,523,305</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities	
Operating Income (loss)	2,572,070
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	1,718,762
Change in assets and liabilities	
(Increase) decrease in accounts receivable	70,767
Increase (decrease) in accounts payable	(545,889)
Increase (decrease) in customer meter deposits	25,006
Net cash provided by operating activities	<u>3,840,716</u>

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas

Agency Funds

Statement of Fiduciary Net Position Modified Cash Basis
For the Year Ended December 31, 2018

ASSETS	
Cash and cash equivalents	318,798
Other Assets	3,826
Total Assets	322,624
LIABILITIES	
Accounts payable	322,624
Total Liabilities	322,624

The notes to the financial statements are an integral part of this statement.

City of Bryant, Arkansas

Agency Funds

Statement of Changes in Fiduciary Net Position Modified Cash Basis
For the Year Ended December 31, 2018

REVENUES	
Fines and Forfeitures	
Total Revenues	Agency Funds
	\$ 376,326
	<u>376,326</u>
EXPENSES	
Personnel Expense	4,738
Operations Expense	371,583
Total Expenses	376,321
	<u>376,321</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

Reporting Entity: The City of Bryant, Arkansas (city), is organized as a political subdivision of the State of Arkansas and is a city of the first class, which is organized and exists under the laws of the State. The city operates under the Mayorial form of government. The City had one component unit, which was a legally separate organization fiscally dependent on the City or for which the City was financially accountable as of December 31, 2018. See Note 10 for more information on this unit.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statements of net position and changes in net position) report information on all of the non-fiduciary activities of the primary government. The government-wide financial statements are presented on the modified cash basis of accounting. Generally, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The government-wide, proprietary fund and fiduciary financial statements are reported using the economic resources measurement focus. Agency funds do not have a measurement focus and are reported on the cash basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under the accrual method.

Most revenue items are considered to be measurable and available only when the city receives cash. A few revenue items are accrued if deemed material to do so.

The city reports the following major governmental funds:

General Fund 001 is the city's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. For the purposes of this report this holds also the Sales Tax Fund, Fire Donation Fund, and the Franchise Fee Fund.

Street Fund 080 is a special revenue fund to account for all activities associated with maintaining and constructing streets. Arkansas statutes that provide funding for street and drainage projects require that these activities be accounted for separately. The Street Fund is financed by state turnback funds, and a portion of a state-wide 1/2 cent sales tax approved by the voters in July 2013.

The city reports the following major proprietary funds:

Utility Revenue Fund 500 is used to account for activities associated with collecting the revenues of water, wastewater, and stormwater via the monthly bill collections.

Utility Operating Fund 510 is used to account for activities associated with collecting, treating and disposing sewage from customers in one department 0950 and the treatment and distribution of drinkable water to customers in another department 0900.

Stormwater Fund 515 is used to account for activities associated with completing major capital stormwater projects.

Agency Funds account for activities in the following areas:

- a. **Administration of Justice Fund - ACA 16-10-308 Fund 030 Act 1256 of 1995**, established that cities would receive a share of the uniform court costs and filing fees levied by the state law. These may be used to defray a part of the expenses of the administration of justice in the City. These funds are kept and spent from this fund.
- b. **Electronic Tax Fund** fund 010 was established by the City to receive electronic transfers from federal and state agencies as well as administer payroll.

The nonmajor funds of the city are special revenue funds, and debt service capital projects funds used to account for activities associated with revenue sources restricted for specified purposes as follows:

Special revenue funds include:

- a. **District Court Automation Fund 031 (Act 1809) ACA 16-13-704** established that 1/2 of \$5 per month on each person in the court could only be used for court-related technology. These funds are kept and spent from this fund.
- b. **Fire Equipment and Training Fund 051 (Act 833)** is used to account for specific revenues per ACA 14-284-403, 404 which 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.
- c. **Special Sales Tax Fire 3/8 Fund 055 - Bryant City Code 2.36.07 (2013)** levied a .375 % sales and use tax to be used to operate and maintain; acquire apparatus and equipment; acquire, construct, improve, and expand facilities; to pay and secure repayment of fire department bonds.

- d. **Special Sales Tax Parks 1/8 Fund 045 - Bryant City Code 12.32.01 (2013)** levied a .125 % sales and use tax to be used to acquire, construct, improve, expand, equip, furnish, operate and maintain new or existing park and recreational facilities, including parking, landscaping, signage, lighting, concession, road and utility improvements, and to pay and secure the repayment of park and recreational bonds.
- e. **Animal Donations Fund 020 Bryant City Code 6.12.01 (2013)** via Ordinance 2011-24 established fund to receive donations for the animal control department to be used for any purpose reasonably related to the care, custody, and control of animals secured by the department including training, education, and assistance.
- f. **Designated Tax Fund 005 - Bryant Ordinance no. 1996-08 (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%).
- g. **Police Equipment Fund 061 (Act 918) ACA 12-41-701** established the ability of cities to receive a portion of fines and penalties from the Courts to be used for law enforcement purposes. These funds are kept and spent from this fund.
- h. **Police Equipment Fund 062 (Act 988) ACA 27-22-103** established the ability of cities to receive the fine for citizens who fail to insure their motor vehicles and use those fines for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life saving medical apparatus, and law enforcement apparatus. These funds are kept and spent from this fund.
- i. **Drug Controls Funds State 066 and Federal 068 ACA 5-64-505** established that asset forfeitures resulting from drug offense cases should go to the arresting agency. These revenues shall only be used for law enforcement purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges among the city's wastewater and water functions and various other functions of the city. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The Utility Revenue Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Position or Equity

Deposits and Investments: The city's cash and cash equivalents are considered as cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the city to invest in obligations of the United States government, commercial paper and certain corporate bonds. Investments for the city are reported at fair value.

Restricted Assets: The proprietary fund types restrict assets on the balance sheet in accordance with the requirements of bond obligation agreements, donor and membership restrictions and support obligations made by the city. The Bond Depreciation Fund is used to restrict resources and set aside funds to finance capital asset renewals and replacements. The assets consist primarily of cash and short-term investment funds.

Receivables: Receivables consist primarily of uncollected utility charges to users of the system. A provision totaling approximately \$222,000 has been made for delinquent accounts receivable that may be uncollectible at year end.

Capital Assets: Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities. The city defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair-market value at the date of donation. Infrastructures are long-lived assets that are stationary in nature such as streets, bridges, street lighting and sidewalks. Costs of normal maintenance and repairs that do not add to the value or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the city are depreciated using the straight-line method over the following, estimated useful lives:

<u>Asset</u>	<u>Primary Government Years</u>
Buildings	40
Building improvements	20
Public domain and system infrastructures	50 and 30 respectively
Vehicles	5-10
Other items \$2500 to \$20,000	2

Fund Equity: Beginning with fiscal year 2011, GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was enacted by GFOA. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable: Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted: Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and other levels of government), through constitutional provisions or by enabling legislation.

Committed: Amounts constrained to a specific purpose by the city itself, using its highest level of decision making authority (i.e. City Council). To be reported as committed, amounts cannot be used for any other purpose unless the city takes the same highest level action to remove or change the constraint (i.e. Resolution).

Assigned: Amounts the city intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.

Unassigned: Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The city's goal is to use restricted, committed, or assigned amounts first, before unassigned, when an expenditure is incurred for purposes for which multiple classifications are available.

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.

NOTE 2: Deposits and Investments -

Deposits and Investments: The city's deposits and investments are governed by state law. At December 31, 2018, the deposits and investments held by the city were as follows:

	<u>Government</u>	<u>Enterprise</u>	<u>Total</u>
Carrying value on the books	25,469,301	5,522,695	30,991,996
Cash on hand	900	610	1,510
Total	25,470,201	5,523,305	30,993,506
Balance at the bank	26,326,864	5,561,666	31,888,530

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The city does not have a policy for custodial credit risk. It's investments are handled by the bond trustees in accordance with Arkansas State statutes for Municipal funds. The carrying amount of the entire city's deposits was \$30,991,996, with a corresponding bank balance of \$31,888,530 (including cash on hand). Of this amount \$31,388,530 (\$500,000 FDIC protected) was subject to custodial credit risk. The City has, however, collateralized pledged securities held by and in the name of Regions Bank and the First Security Bank in excess of amounts not covered by FDIC insurance.

NOTE 3: Capital Assets. Capital asset activity for the year ended December 31, 2018, was as follows:

Street Fund	Balance January 1	Additions	Disposals	Balance December 31
Capital Assets Not Being Depreciated				
Land	31,935	454,117		486,052
Construction in Progress	1,413,069		(1,413,069)	
Total Capital Assets Not Being Depreciated	1,445,004	454,117	(1,413,069)	486,052
Capital Assets Being Depreciated				
Buildings	145,922			145,922
Vehicles	1,316,631	156,261		1,472,892
Heavy Machinery	1,478,211	280,855	(10,800)	1,748,266
Roads & Bridges	1,377,657			1,377,657
Infrastructure	1,012,053	8,173,670		9,185,723
Total Capital Assets Being Depreciated	5,330,474	8,610,786	(10,800)	13,930,460
Total Capital Assets	(3,254,916)	10,800	(232,682)	(3,476,798)
Less Accumulated Depreciation	3,520,562	9,075,703	(1,656,551)	10,939,715
Net Street Fund Capital Assets				
General Fund	2,697,990			2,697,990
Total Capital Assets Not Being Depreciated	2,697,990			2,697,990
Park Facilities				
Buildings	2,596,192	422,316		3,018,508
Vehicles	7,234,419	6,662,773		13,897,192
Equipment	6,542,358	1,072,762	(561,578)	7,053,542
Total Capital Assets Being Depreciated	2,876,297	626,785	(33,585)	3,469,497
Less Accumulated Depreciation	19,249,266	8,784,636	(595,163)	27,438,739
Net General Fund Capital Assets	(10,442,340)	538,351	(850,068)	(10,754,057)
Total Governmental Fund Assets	11,504,916	9,322,988	(1,445,231)	19,382,673
	15,025,478	18,398,690	(3,101,782)	30,322,387

Business Type Activities	Balance January 1	Additions	Disposals	Balance December 31
Capital Assets Not Being Depreciated				
Land	43,338	72,955		116,293
Construction in Progress	2,318,960		(2,318,960)	-
Total Capital Assets Not Being Depreciated	2,362,298	72,955	(2,318,960)	116,293
Capital Assets Being Depreciated				
Buildings	3,342,331			3,342,331
Infrastructure	3,426,341	4,847,900		8,274,241
Improvements, machinery, and equipment	42,770,570	387,629		43,158,199
Water Storage Agreement	1,358,213	-		1,358,213
Total Capital Assets Being Depreciated	50,897,455	5,235,529		56,132,984
Less Accumulated Depreciation	(16,410,518)		(1,718,761)	(18,129,279)
Net Business Assets Being Depreciated	34,486,937	5,235,529	(1,718,761)	38,003,705
Net Business Capital Assets	36,849,235	5,308,484	(4,037,721)	38,119,998

At December 31, 2018 the Enterprise, Street and Stormwater Funds (Public Works) had the following active construction projects;

	Expenses Through December 31, 2018	Remaining Contract Commitments
Highway 5 Water	790,687	141,293 PO 2017008687
Highway 5 Wastewater	790,687	141,293 PO 2017008687
Alcoa Rd. State Proj. 061297 with City of Benton	143,795	108,483 PO 2018004696
Stormwater - Monticelle Drive		141,555 PO 2018009239/9418
Elm Street	44,165	24,519 PO 2018008557
Basins 3&4 and Collection System	144,981	329,773 PO 2018006345/7947
Heart of Bryant	1,540,037	131,596 PO 2018004698
Total	\$3,454,353	\$1,018,514

NOTE 4: Debt

Legal Debt Limits for Property Tax Secured Bonded Debt equals 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. The City has no property tax secured bond issues. Short-Term Financing Obligations are subject to a constitutional limitation of equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. The City is well below its limitation.

In 2001, the State of Arkansas passed Amendment No. 78 and Act No. 1808, providing a method for cities and counties to obtain short-term financing. The law requires permissible items to have an expected useful life of over one year and requires that the financing not exceed five years and that interest and principal repayments be made from general revenues. The City of Bryant has several notes that have been issued pursuant to this authority, see those with payments during 2018 listed below.

2013 Fire Truck Financing Note - The \$813,981 promissory note from Regions Bank was issued to finance on January 30, 2013 (1st payment April 1st), the cost of acquiring three E-One Typhoon Pumper Trucks. Principal and interest payments of approx. \$14,568 are paid monthly for 59 months at 4.15%. The two last payments were made in January and February of 2018.

2016 Police Cars Financing Note - The \$1.3 million promissory note was issued by Regions Security Bank, August 3, 2016, to finance the cost of acquiring a new Police Car Fleet. Principal and interest payments of \$28,476.83 (2.48%) are paid monthly for four years from the General Fund.

2018 Fire and Parks Financing Note - The \$1,130,000 loan from Regions Bank was issued on March 15, 2018 (1st payment April 15th), for the cost of acquiring one Fire Ladder Truck and several work trucks and exercise equipment for Parks. Principal and interest payments of approx. \$19,910.35 are paid monthly for 60 months at 2.21%. The Loan Pay off Date is March 15, 2023; total interest will be \$64,621.

	2016 Police Cars		2018 Fire and Parks		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	328,412	13,310	220,584	18,816	548,995	32,127
2020	350,977	4,977	225,508	13,892	576,485	18,869
2021			230,543	8,857	230,543	8,857
2022			235,690	3,710	235,690	3,710
2023			39,790	110	39,790	110
Total	679,389	18,287	952,115	45,385	1,631,503	63,673

Business-Type Activities

Water and Sewer Revenue Bonds, Series 2017 were issued for the purpose of refunding the Series 2008A&B. The interest rates range from 2% to 3.625%. Original face value of the bonds was \$3,800,000 for the Series A bonds and \$4,885,000 for the Series B Bonds. Principal payments are due annually on December 1, and interest payments are due semi-annually on June 1, and December 1. These bonds were issued on December 1, 2017.

Bond Payable-Loan Advances-Arkansas Natural Resource Commission (ANRC)

Series 2011 Bond payable water and wastewater revenue bond original face value of the bonds was \$6,500,000. The interest rate is 1.95% with a 1% service fee. Principal and interest payments began April 15, 2014.

Series 2012 Bond payable water and wastewater revenue bond original face value of the bonds \$8,500,000. The interest rate is 1.95% with a 1% service fee. Principal and interest payments began April 15, 2015.

Government-Type Activities

City of Bryant, Arkansas Capital Improvement Refunding and Construction Revenue Bonds, Series 2016 These bonds were issued on March 31, 2016, with a face value of \$10,625,000 for the purpose of refunding and financing a portion of the costs of 130 Improvements (on and off ramp). These bonds are secured by a pledge of all of the franchise fees charged to public utilities for the privilege of using the streets, highways, and other public places in the City. The interest rates range from 2% to 3.625%. Principal payments are due annually on February 1, and interest payments are due semiannually on February 1 and August 1.

City of Bryant, Arkansas Sales and Use Tax Series 2016 These bonds were issued December 1 of 2016, with an original par value of \$28,755,000 for the purpose of funding a portion of the costs of acquiring, constructing, equipping, and furnishing park and recreational improvements, building two new Fire Stations, and constructing the Bryant Parkway South from I-30 to the Airport. These bonds are secured by a pledge of the sales and use tax of the city. The interest rates range from 2% to 4%. Principal payments are due annually on December 1, and interest payments are due semiannually on June 1 and December 1.

	Balance at 1/1/2018	Increases	Decreases	Balance at 12/31/2018	Amount Due in 1 year
Government-Type Activities Long Term Debt					
Bonds Payable	37,800,000		1,770,000	36,030,000	1,035,000
Note Payable	1,014,378	569,617		1,583,995	548,995
Net Pension and OPEB Liabilities	13,012,180	2,952,681		15,964,861	0
Business-Type Activities Long Term Debt					
Bonds Payable	18,382,412		993,961	17,388,451	1,113,436
Note/Contract Payable	585,977		99,391	486,586	116,512
Net Pension and OPEB Liabilities	1,402,903		762,999	639,904	0

2016 Sales and Use Tax Bonds

	Principal	Interest
2019	700,000	820,338
2020	675,000	807,138
2021	690,000	793,638
2022	700,000	778,976
2023	720,000	763,225
2024 and thereafter	22,565,000	10,055,219
Total	26,050,000	14,018,534

2016 Franchise Fee Revenue Bonds

	Principal	Interest
2019	335,000	304,919
2020	345,000	294,719
2021	350,000	286,044
2022	360,000	278,494
2023	370,000	269,819
2024 and thereafter	8,220,000	2,602,797
Total	9,980,000	4,036,791

2011 Water ANRC Bonds

	Principal	Interest
2019	276,769	155,803
2020	284,995	147,577
2021	293,465	139,107
2022	302,186	130,386
2023	311,166	90,301
2024 and thereafter	3,881,532	791,063
Total	5,350,113	1,454,237

* does not include the 1% service fee

2012 Wastewater ANRC Bonds

	Principal	Interest
2019	356,667	209,003
2020	367,267	198,403
2021	378,181	187,489
2022	389,420	176,250
2023	400,992	164,678
2024 and thereafter	5,280,809	928,954
Total	7,173,336	1,864,777

* does not include the 1% service fee

2017 Water and Sewer Refunding Bonds

	Principal	Interest
2019	480,000	130,516
2020	490,000	120,916
2021	500,000	111,116
2022	515,000	101,116
2023	145,000	0
2024 and thereafter	2,735,000	881,364
Total	4,865,000	1,345,028

NOTE 5: Other Information Including Risk Management

During the course of daily operations, the city is exposed to various risks of loss relating to theft of, damage to or destruction of assets, errors and omissions, injuries to employees and natural disasters. The city has tort immunity except in the case of civil-rights issues. The city manages these risks by following coverage procedures:

The city participates in the Arkansas Municipal League insurance program (Program) for the coverage in the following areas:

Municipal League Defense Program: This insurance program provides coverage for legal defense, expenses and damages in suits against city officials and employees and civil-rights suits against the municipal government. The program is a participant in a funded trust with pooled risk involving cities in Arkansas. The coverage of each case is at the sole discretion of the program's administrator. The maximum coverage of any one loss cannot exceed 25% of the programs fund reserve; therefore, the city could be at risk if any suit against the city exceeds 25% of the program's reserve. 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.

Municipal Property Program: This insurance program provides coverage for insurable property and equipment exclusive of motor vehicles and water vessels that belong to the participating municipality and for which coverage has been applied and approved. The limit of the program's liability is 1) actual cash value, or 2) the cost to repair or replace the property of like kind and quality, or 3) the applicable limit of liability stated in the enumeration schedule, or 4) 25% of the program's available funds at the time of settlement. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000.

Municipal Vehicle Program:

- A. Liability - 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 - The City shall pay into the program each year a charge established annually by the program administrator for covered property.

Workers' Compensation: This insurance program provides compensation to employees in the event of injury suffered while conducting city business. The program covers all statutory requirements and the city's risk of loss is effectively transferred. Rates are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

Contingent Liabilities: Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, mainly the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time. The city expects disallowed claims, if any, to be immaterial. The city is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the city's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the city.

Self-Insured Fidelity Bond Program: The City also participates in this 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. There is a \$2,500 deductible per occurrence.

Post-Employment Benefits: Other post-employment benefits for city employees are limited to health insurance continuation coverage under federal law (COBRA) providing all costs associated with the benefits are borne by the electing participant.

NOTE 6: Employee retirement systems and pension plans-

Pension Plans - Primary Government: The city participates in retirement plans that cover all full-time employees. The city's municipal judges and clerks participate in a pension and retirement plan maintained by the state. The city's uniformed police and fire personnel participate in the Local Police and Fire Retirement System (LOPFI). All other city employees are covered under the Arkansas Public Employees Retirement System (APERS).

Arkansas District Judge Retirement System

Plan Description: Acts 1374 and 1375 of 2003 established the Arkansas District Judge Retirement System (ADJRS), a cost sharing multiple employee plan. This retirement system became effective January 1, 2005. The legislation merged the city's administered pension plan with the new pension system. The city funds retirement through retirement matching of judges' and clerks' salaries through the Court's Operating Fund. ADJRS provides for the retirement of all district court judges who are not covered under the Arkansas Public Employees Retirement System (APERS). District court judges first hired after January 1, 2005 are covered by ADJRS. The system provides retirement benefits for district judges and court clerks, who retired from the local retirement plans, and their survivors. A deferred benefit was established for all district judges and court clerks in the local plans that were active on December 31, 2004. These deferred annuities will be eligible for a benefit when they meet the eligibility requirements for their previous, local plans. The statutes providing for and covering the ADJRS are in chapters two and eight of Title 24 of the Arkansas Code Annotated. The administration and control of the system is vested in the board of trustees. The Arkansas District Judge Council and the governor appoint the board. The city's financial information is in the annual report of ADJRS. A copy of the report can be obtained by writing to ADJRS, 124 West Capitol Avenue, Suite 400, Little Rock, Arkansas 72201.

Summary of Significant Accounting Policies: Basis of Accounting and Valuation of Investments. The Arkansas District Judge Retirement System is accounted for using the accrual basis of accounting. Revenues are recognized when earned, without regard to date of collection; and expenses are recognized when a liability is incurred, regardless of when payment is made. Investments are reported at market value determined by the custodial agent. The agent's determination of market value includes, among other factors, using pricing services or process quoted at current exchange rates by independent brokers.

At implementation, an actuarial valuation was performed. As of June 30, 2018 the City's unfunded liability was \$59,169. The city will pay this deficit over a 30 year amortization, with payments being due to ADJRS by December 31 of each year. The valuation changes as the city changes judges, therefore changing the annual payment. The 2018 payment made was \$11,620, of which \$5,914 was interest and the balance went to reduce the principal.

Arkansas Local Police and Fire Retirement System (LOPFI)

Plan Description: LOPFI is a statewide cost sharing multiple-employer defined-benefit pension plan administered in accordance with Act 364 of the 1981 Arkansas General Assembly for units of local governments covering police officers and firefighters. The plan provides retirement, disability and death benefits to plan members and their beneficiaries. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the Plan. The city's financial information is in the annual report of LOPFI. A copy of the report can be obtained by writing to LOPFI, 620 West 3rd Street, Suite 200, Little Rock, Arkansas 72201 or on their website at www.lopfi-prb.com or calling 866-859-1745.

Contributions requirements are set forth in Arkansas statute. LOPFI members were required to contribute 8.5% of their annual covered salary. The City is required to contribute at an actuarially determined rate, which was 23.00% for participating policemen and 22.37% for participating firemen. City contributions for 2017 to the Plan were \$293,736.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the LOPFI Police and LOPFI Fire reported a liability of \$4,424,479 and \$4,751,462, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The City's proportionate share was .6226% and .6686% respectively, for LOPFI Police and LOPFI Fire. The allocation percentages are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended December 31, 2017. The contributions used excluded contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	221,507	383
	382,903	486,222
	1,237,152	165,008
Total	1,841,562	651,613
	237,877	411
	411,201	522,155
	1,274,189	105,379
Total	1,923,267	627,945

LOPFI Police

Differences between expected and actual experience
Difference between expected and actual investment
earnings on pension plan investments
Contributions subsequent to the measurement date

LOPFI Fire

Differences between expected and actual experience
Difference between expected and actual investment
earnings on pension plan investments
Contributions subsequent to the measurement date

At December 31, 2017, LOPFI Police and LOPFI Fire reported \$1,841,562 and \$1,923,267 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2018, related to pensions will be recognized in pension expense as follows:

Schedule of Deferred Inflows and Outflows

<u>Year ended December 31:</u>	LOPFI Police	LOPFI Fire
2018	\$456,797	\$526,226
2019	439,112	499,303
2020	267,845	256,962
2021	26,195	12,831
	<u>\$1,189,949</u>	<u>\$1,295,322</u>

Actuarial Assumptions: The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

LOPFI - Police and Fire	
Inflation (Wage, Price)	3.75%, 2.75%
Salary increases	4.25-18.75% including inflation
Investment rate of return	7.75% as adopted by the board
Actuarial cost method	Entry age normal
Asset valuation method	5 year smoothed market, 20% corridor

Mortality rates were based on the RP-2000 Combined Mortality Table

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2008 to December 31, 2011. As a result of the 2011 actuarial experience study, the expectation of life after disability was adjusted in the December 31, 2017 actuarial evaluation to more closely reflect actual experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2017, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
Fixed income	27%	0.78%	0.21%
Domestic equity	42%	5.58%	2.34%
Foreign equity	18%	7.38%	1.33%
Alternative Investments	10%	6.23%	0.62%
Cash	3%	0.00%	0.00%
Total	100%		4.50%
Expected Inflation			2.50%
Total Return			7.00%

Discount Rate: A single discount rate of 7 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 8 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the single discount rate. The following presents the City's net pension liability, calculated using a single discount rate of 7 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
LOPFI - Police	\$6,968,820	\$4,424,479	\$2,373,948
LOPFI - Fire	\$7,483,837	\$4,751,462	\$2,549,391

Arkansas Public Employee Retirement System (APERS)

Plan description: APERS is a cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan, all county employees, municipal employees whose municipalities have elected coverage under this plan, college and university employees, and certain non-teaching school employees. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration. Benefits and contribution provisions are established by Arkansas law and can be amended only by the Arkansas General Assembly.

Benefits provided: Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2007	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service at age 55 or at any age with 25 years of service. Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost-of living adjustment of 3% of the current benefit is added each year.

Contributions: Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701)(a)). Members who began service prior to July 1, 2005, are not required to make contributions to APERS. Members who began service on or after July 1, 2005, are required to contribute 5% of their salary. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). Employers contributed 14.75% for municipal employees and 25.55% for district judges of compensation from January 1, to June 30, 2018. In some cases, an additional 2.5% of member and employer contributions are required for elected officials. Contributions to the APERS from the City were \$572,463 for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At December 31, 2018, the City reported a liability of \$4,570,741 for its proportionate share of the APERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of the net pension liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2018, the City's proportion was 0.92%.

For the year ended December 31, 2018, the City recognized APERS pension expense of \$789,021. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	72,691	47,982
Changes of assumptions	520,056	282,664
Net difference between projected and actual earnings on pension plan investments		115,661
Changes in proportion and differences between City contributions and proportionate share of contributions	329,532	103,160
Total	\$922,279	\$549,467

Actuarial assumptions: The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation rate	3.25%
Salary increases	3.25% – 9.85%
Investment rate of return	7.15%, net of investment and admin expenses

Mortality rates were based on RP-2014 weighted generational mortality tables for healthy annuitant, disability, or employee death in service, as applicable. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in APERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	5.97%
International Equity	24%	6.07%
Real Assets	16%	4.59%
Absolute Return	5%	3.15%
Domestic Fixed	18%	0.83%
	100%	

Discount rate: The discount rate used to measure the total pension liability was 7.15% for the year ended June 30, 2018. The single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	Current Discount Rate	
	7.15%	1% Increase 8.15%
City's proportionate share of the net pension liability	\$4,570,741	\$2,586,125
	1% Decrease 6.15%	
	\$6,961,239	

APERS fiduciary net position: Detailed information about APERS's fiduciary net position is available in the separately issued APERS Financial Report available at <http://www.apers.org/annualreports>.

Payable to the pension plan: At December 31, 2018, the City did not have an outstanding amount of contributions due to the pension plan for the year ended December 31, 2018.

NOTE 7: Other Post-employment Benefits -

Plan Description and Benefits Provided: The City of Bryant uses the Health Insurance provided by the Arkansas Municipal League through the Municipal Benefit Health Fund. Arkansas statute provides that any municipal city official or employee vested in any of the city's retirement plans with 20 years of service and attains 55 years of age may continue to participate in the city's healthcare plan after retirement. In addition, members employed at least 5 years with age plus service exceeding 70 at retirement are eligible for benefits. The State of Arkansas has the authority to establish and amend the requirements of this statute. The city does not issue stand-alone financial statements of its health care plan but all required information is presented in this report. The contribution requirements of OPEB plan members are established by the city and may be amended as needed. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit of the blended premium rate from all of the employees participating in the city's health insurance plan. The plan has no retired participants paying premiums as of December 31, 2018. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Total OPEB Liability: The city's total OPEB liability of \$1,034,122 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Changes in Total OPEB Liability	
Balance at 12/31/2017	\$ 1,104,203
1 Service Cost	\$67,863
2 Interest	34,893
3 Benefits and refunds	(21,485)
4 Change in discount rate	(\$60,281)
5 Differences between expected and actual experience	(91,071)
7 Net change in total OPEB liability	(\$70,081)
Balance at 12/31/2018	\$1,034,122

Actuarial Cost Methods and Assumptions.

Inflation Rate: The discount rate, and the health care cost trend rate incorporate an assumed annual inflation rate of 3.00%.

Discount Rate: A single discount rate of 3.16% at 12/31/17 and 3.64% at 12/31/18.

Healthcare Trend Rate: The health care cost trend rate was assumed to be 8.0% next year, with the rate decreasing by 0.5% each year, to an ultimate rate of 5.0% in the seventh year.

Cost Method: The entry age normal method was used.

Base Claim Costs: The following monthly claim costs were assumed for 2018: Member

Retiree, No Medicare	\$1,142.04
Retiree, with Medicare	\$545.22
Premium per month	\$545.22
Therefore, net subsidy assumed was	\$596.82

Source of Claim Costs: The Medical cost for retirees equals the rate charged by the providers at the beginning of the year.

NOTE 7: Other Post-employment Benefits con't

Sensitivity of the Total OPEB liability to Changes in the Discount Rate

1% Decrease to 2.64%	Current Single Discount Rate of 3.64%	1% Increase to 4.64%
1,163,484	1,034,122	918,804

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates

1% Decrease in HCCTR 1,011,410	Assumed HCCTR 1,034,122	1% Increase in HCCTR 1,437,088
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At December 31, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources	84,566
	55,975
	<u>140,541</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31:	Net Deferred Outflow/(Inflow) of Resources
2019	(10,811)
2020	(10,811)
2021	(10,811)
2022	(10,811)
2023	(10,811)
Thereafter	(86,486)
Total	<u>(140,541)</u>

Employees Covered by the Benefit Terms:

Number of Employees	187
Number of Retirees and Beneficiaries under 65	2
Number of Retirees and Beneficiaries 65 and over	1

Actuarial Methods and Assumptions con't: No Administrative costs were assumed. It was assumed that the sponsor would provide single coverage only. It was assumed 85% of eligible retirees would select the coverage when they initially retired and that 15% of them would continue it past age 65. The data was provided by the Arkansas Municipal League Health Benefit Plan and deaths have been projected on a basis of the RP 2014 Mortality Table.

NOTE 8: Water/Wastewater Rates and Customers - Customers pay for the first 2,000 gallons of water consumption each month or portion thereof, rates that vary from \$11.34 for a 5/8" meter up to \$567.00 for a 6" meter. All water consumption in excess of 2,000 gallons is \$.545 for each 100 gallons. There were approximately 9,676 active water customers at December 31, 2018. The total annual billable water for customers in 2018 was from 615 commercial and 9,061 residential customers. Wastewater customers pay \$16.45 for the first 2,000 gallons of water consumed. Consumption in excess of 2,000 gallons is \$.877 for each 100 gallons. There were approximately 9,992 wastewater users at December 31, 2018.

During 2016, the City Council approved an ordinance charging \$3.00 per month for residential customers and \$6.00 per month for commercial customers to fund improvements to the stormwater system. Total revenue collected in 2016 was \$157,452 and \$322,140 in 2017. During 2018 \$287,801 was collected. (Residential--\$248,889 averages to 6,913 residential customers each month at \$3.00 per customer; Commercial--\$32,412 averages to 450 customers at \$6.00 per month; Other --\$6500 from stormwater plan retention fees) additionally, note, approximately 900-1,000 customers are stormwater fee exempt due to the Sr Citizen discount program.

NOTE 9: Prior Period Restatement - during the 2018 Audit it was noted that transitioning from the cash basis accounting to a more accrual basis of accounting for capital assets and debt led to adjustments for the Beginning balances in the General, Street and Government Wide Governmental fund balances.

NOTE 10: Subsequent Events – Management has evaluated subsequent events through January 27, 2020, which is the date the financial statements were available to be issued and have determined there is one notable event, the creation and subsequent dissolution of the Bryant Advertising and Promotion Commission. The City Council voted to create an Advertising and Promotion Commission to collect an A&P 2% Tax on Hotes and Prepared Foods per State Statute 26-75-605in mid 2018. Collections were made for approximately one year and approximately \$800,000 was collected during that time. The Commission was unable to agree on a go forward plan and the Commission was dissolved by the Council effective August 8, 2019. Resolution 2019-47 outlines that those funds will be spent by the consensus of the City Council on items that State Statute allows and checks will be cut and signed by the Mayor and the Finance Director until all the money has been spent.

**Supplementary and Other Information
Accompanying the Basic Financial
Statements**

	Designated Tax Fund	Animal Control Donations	Act 1809 of 2001 Court Auto Fund	Parks 1/8 Sales Tax Fund	Act 833 of 1991 Fire Fund
ASSETS					
Cash and cash equivalents	\$ 1,055,038	\$ 21,136	\$ 81,609	\$ 119,908	\$ 46,458
Total Assets	1,055,038	21,136	81,609	119,908	46,458
LIABILITIES					
Unearned revenue	-	28,072	-	-	-
Total Liabilities	-	28,072	-	-	-
Sum of Total Assets and Total Liabilities					
FUND BALANCES					
Restricted					
Public Works	316,511				
Public Safety	633,023	(6,937)	81,609		46,458
Other Special Revenue Funds - Parks	105,504			119,908	
Unassigned					
Total Fund Balances	1,055,038	(6,937)	81,609	119,908	46,458
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,055,038	\$ 21,136	\$ 81,609	\$ 119,908	\$ 46,458

City of Bryant, Arkansas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018
 Special Revenue Funds

	Fire 3/8 Sales Tax Fund	Police Act 918 of 1983 Fund	Police Act 988 of 1991 Fund	Police Federal Drug Control Fund	Police State Drug Control Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 74,434	\$ 13,336	\$ 28,142	\$ 2,345	\$ 14,408	1,456,814
Total Assets	74,434	13,336	28,142	2,345	14,408	1,456,814
LIABILITIES						
Unearned revenue	-	-	-	-	-	28,072
Total Liabilities	-	-	-	-	-	28,072
Sum of Total Assets and Total Liabilities						
FUND BALANCES						
Restricted						
Public Works						316,511
Public Safety						886,818
Other Special Revenue Funds - Parks	74,434	13,336	28,142	2,345	14,408	225,411
Unassigned						
Total Fund Balances	74,434	13,336	28,142	2,345	14,408	1,428,740
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,434	\$ 13,336	\$ 28,142	\$ 2,345	\$ 14,408	1,456,813

City of Bryant, Arkansas
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2018
 Special Revenue Funds

REVENUES	Designated Tax Fund	Animal Control Donations	Act 1809 of 2001 Court Auto Fund	Parks 1/8 Sales Tax Fund	Act 833 of 1991 Fire Fund
Taxes	\$ 4,489,817			\$ 561,227	\$ 22,710
Intergovernmental			38,851		
Investment earnings and interest	897	11	40	58	19
Miscellaneous		2			
Total Revenues	4,490,714	13	38,891	561,285	22,729
EXPENDITURES					
Current:					
Public Safety		3,187	28,287		10,873
Capital Outlay:					
Total Expenditures	-	3,187	28,287	-	10,873
Excess(deficiency) of revenues over expenditures	4,490,714	(3,174)	10,604	561,285	11,856
OTHER FINANCING SOURCES					
Transfers Out	(5,400,584)			(556,500)	
Total other financing sources and (uses)	(5,400,584)	-	-	(556,500)	-
Net change in fund balances	(909,870)	(3,174)	10,604	4,785	11,857
Fund balance - beginning	1,964,908	(3,763)	71,004	115,124	34,602
Fund balance - ending	\$ 1,055,038	\$ (6,937)	\$ 81,608	\$ 119,909	\$ 46,458

City of Bryant, Arkansas
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2018
 Special Revenue Funds

	Fire 3/8 Sales Tax Fund	Police Act 918 of 1983 Fund	Police Act 988 of 1991 Fund	Police Federal Drug Control Fund	Police State Drug Control Fund	Totals
REVENUES						
Taxes	\$ 1,683,681					6,757,435
Intergovernmental						38,851
Fines and forfeitures		16,112	12,737		826	29,675
Investment earnings	31	20	12	1		1,089
Miscellaneous					7	9
Total Revenues	1,683,712	16,132	12,749	1	833	6,827,060
EXPENDITURES						
Current:						
Public safety	29,316	35,067	1,019			107,749
Capital Outlay:						0
Total Expenditures	29,316	35,067	1,019	-	-	107,749
Excess(deficiency) of revenues over expenditures	1,654,396	(18,935)	11,730	1	833	6,719,311
OTHER FINANCING SOURCES						
Transfers out	(1,640,162)					(7,597,246)
Total other financing sources and (uses)	(1,640,162)	-	-	-	-	(7,597,246)
Net change in fund balances	14,235	(18,935)	11,730	1	833	(877,933)
Fund balance - beginning	60,199	32,271	16,412	2,344	13,575	2,306,676
Fund balance - ending	\$ 74,434	\$ 13,336	\$ 28,142	\$ 2,345	\$ 14,408	\$ 1,428,743

TREND INFORMATION

City of Bryant, Arkansas
 Net Position by Component
 Last Eight Fiscal Years
 (regulatory basis of accounting for years 2011 - 2014, modified cash afterwards)
 (amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities								
Restricted	\$ 5,834,603	\$ 5,606,026	\$ 4,857,632	\$ 4,912,731	\$ 6,586,219	\$ 9,546,009	\$ 11,267,743	\$ 6,913,034
Committed	1,267,488	1,637,117	1,731,441	1,647,436				
Unassigned	3,968,696	4,878,543	2,984,820	3,422,733	2,517,558			
Total Governmental activities net position	\$ 11,070,787	\$ 12,121,686	\$ 9,573,893	\$ 9,982,900	\$ 9,103,777	\$ 9,546,009	\$ 11,267,743	\$ 6,913,034
Business-Type Activities								
Invested in capital assets, net of related debt	\$ 10,374,047	\$ 11,468,347	\$ 12,871,075	\$ 12,368,345	\$ 13,834,245	\$ 13,903,700	\$ 22,639,909	\$ 24,615,482
Restricted	2,743,384	2,824,016	1,129,554	285,505	394,193	425,216		
Unassigned	4,385,096	4,750,654	5,938,521	7,711,074	6,398,630	7,807,693		
Total business-type activities net position	\$ 17,502,527	\$ 19,043,017	\$ 19,939,150	\$ 20,364,924	\$ 20,627,068	\$ 22,136,609	\$ 22,639,909	\$ 24,615,482
Primary Government								
Invested in capital assets, net of related debt	\$ 16,208,650	\$ 17,074,373	\$ 17,728,707	\$ 17,281,076	\$ 20,420,464	\$ 23,449,709	\$ 22,639,909	\$ 24,615,482
Restricted	4,010,872	4,461,133	2,860,995	1,932,941	394,193	425,216	11,267,743	6,913,034
Unassigned	8,353,792	9,629,197	8,923,341	11,133,807	8,916,188	7,807,693	-	-
Total primary government net position	\$ 28,573,314	\$ 31,164,703	\$ 29,513,043	\$ 30,347,824	\$ 29,730,845	\$ 31,682,618	\$ 33,907,652	\$ 31,528,516

(regulatory basis of accounting for years 2011 - 2014, modified cash afterwards)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses -								
Governmental Activities								
General government	\$ 2,578,872	\$ 1,723,971	\$ 1,933,660	\$ 1,575,682	\$ 1,866,065	1,836,945	1,806,520	1,796,359
Community development	122,944	11,390	113		194,017	154,527	227,075	254,938
Parks and recreation	2,119,594	1,961,947	2,445,539	2,257,338	2,122,505	2,111,399	2,613,246	2,702,383
Public safety	6,993,342	8,613,803	8,204,930	7,809,070	7,778,346	9,755,369	9,555,592	8,834,113
Public works	1,816,600	2,604,193	3,820,650	2,934,301	2,285,482	3,127,788	3,282,145	1,975,264
Interest and long term debt	3,037,948	2,900,266	3,335,829	3,181,314	783,038	987,291		38,429
Total governmental activities expenses	16,669,300	17,815,570	19,740,721	17,757,705	15,029,503	17,973,319	17,484,578	15,601,486
Business-Type Activities								
Water	2,239,842	2,416,519	2,674,572	2,832,422	2,956,826	2,942,339	2,907,065	6,382,112
Wastewater	1,756,491	2,052,686	2,372,653	2,303,345	2,413,173	2,553,308	3,897,379	609,274
Total business-type activities expenses	3,996,333	4,469,206	5,047,225	5,135,767	5,369,999	5,495,647	6,804,444	6,991,386
Total primary government expenses	\$ 20,665,633	\$ 22,284,777	\$ 24,787,946	\$ 22,893,472	\$ 20,399,502	\$ 23,468,966	\$ 24,289,022	\$ 22,592,872
Program Revenues								
Governmental Activities								
Charges for services					46,239	70,690	39,598	250,000
Operating grants/contributions					46,239	70,690	39,598	26,300
Total governmental activities program revenues								276,300
Business-Type Activities								
Charges for services	6,438,574	6,391,135	6,462,375	6,312,849	7,205,874	7,629,916	8,114,604	8,962,404
Capital grants/contributions								
Total business-type activities program revenues	6,438,574	6,391,135	6,462,375	6,312,849	7,205,874	7,629,916	8,114,604	8,962,404
Total primary government program revenues	\$ 6,438,574	\$ 6,391,135	\$ 6,462,375	\$ 6,312,849	\$ 7,252,113	\$ 7,700,606	\$ 8,154,202	\$ 9,238,704
Net (Expense) Revenue								
Governmental Activities								
Business-type activities	\$ (16,669,300)	\$ (17,815,570)	\$ (19,740,721)	\$ (17,757,705)	\$ (14,983,264)	\$ (17,902,629)	\$ (17,444,980)	\$ (15,325,186)
Total primary government net expense	\$ (14,227,058)	\$ (15,893,641)	\$ (18,325,572)	\$ (16,580,623)	\$ (13,147,389)	\$ (15,768,360)	\$ (16,134,820)	\$ (13,354,168)
General Revenues and Other Changes in Net Position								
Governmental Activities								
Taxes	10,425,873	11,228,489	11,453,097	11,386,176	15,565,629	14,462,597	13,324,849	15,478,227
Note Proceeds	181,500	1,300,000				40,107,315		1,325,949
Investment earnings	32,702	32,767	27,536	18,661	31,151	19,344		2,105,599
Gain (loss) on sale of assets		77,793	91,695					578,545
Transfers/Note Proceeds	18,000				(522,582)			
** \$400K for Sheaffe in 2012 Other/Contributions**	5,906,064	6,262,550	5,620,600	6,761,877	4,607,115	4,210,727	6,728,606	4,709,459
Total governmental activities	16,564,139	18,901,599	17,192,928	18,166,714	19,681,313	58,799,983	20,053,455	24,197,779
Business-Type Activities								
Bond fees	(5,333)	(4,638)	(3,722)	(4,265)	(4,052)	(3,868)	(145,136)	12,778
Investment income	4,757	6,889	3,559	5,464	2,873	2,237	5,722	(8,223)
Other	729,102	190,293	177,436		120,904	150,622	176,096	
Interest expense	(421,842)	(573,981)	(696,291)	(496,109)	(768,083)	(773,719)	(843,543)	
Total Business-type activities	306,684	(381,437)	(519,018)	(494,910)	(648,358)	(624,728)	(806,861)	4,555
Total primary government	\$ 16,870,823	\$ 18,520,162	\$ 16,673,911	\$ 17,671,804	\$ 19,032,955	\$ 58,175,255	\$ 19,246,594	\$ 24,202,334
Change in Net Position								
Governmental Activities								
Business-Type Activities	\$ (105,161)	\$ 1,086,029	\$ (2,547,793)	\$ 409,009	\$ 4,698,049	\$ 40,897,354	\$ 2,608,475	\$ 8,872,593
Total primary government	\$ 2,748,926	\$ 1,540,492	\$ 896,131	\$ 682,172	\$ 1,187,517	\$ 1,509,541	\$ 503,299	\$ 1,975,573
Total primary government	\$ 2,643,765	\$ 2,626,521	\$ (1,651,662)	\$ 1,091,181	\$ 5,885,566	\$ 42,406,895	\$ 3,111,774	\$ 10,848,167

City of Bryant, Arkansas
Fund Balances, Governmental Funds
Last Eight Fiscal Years
(regulatory basis of accounting for years 2011 - 2014, modified cash for 2015 forward)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund								
Restricted								
Committed	\$ 5,455	\$ 3,838	\$ 4,166	\$ 4,122	\$ 4,558,699	\$ 6,245,016	7,250,323	9,933,122
Unassigned	3,968,396	4,878,543	2,984,820	3,422,733	433,161 *			
Total General Fund	<u>3,973,851</u>	<u>4,882,381</u>	<u>2,988,986</u>	<u>3,426,855</u>	<u>4,991,860</u>	<u>6,245,016</u>	<u>7,250,323</u>	<u>9,933,122</u>
*In implementing GASB 68 for 2015 significant Fund Balances were Restricted for LOPFI and APERS.								
All Other Governmental Funds								
Restricted								
Community Development	11,431	63						
Pensions	112,940	102,819	92,797	83,208				
Parks	218,447	131,698	205,004	86,753	164,112	136,674	178,443	225,411
Public Safety	609,615	683,898	572,948	538,786	1,228,440	899,897	1,235,948	886,818
Public Works (Street)	2,857,289	801,281	1,126,481	1,706,509	2,719,364	2,264,422	2,603,031	12,967,401
Debt Service	2,019,425	2,255,126	2,271,363	2,459,988				
Capital Projects		1,627,302	584,872	33,365				
Committed								
Capital Projects	16,933							
Parks	125,056	54,367	36,126	30,068				
General Govt	0	78,943	79,414	80,036				
Public Safety	750,333	525,202	892,019	816,801				
Public Works (Street)	375,166	978,605	723,882	720,533				
Total all other governmental funds	<u>7,096,635</u>	<u>7,239,304</u>	<u>6,584,906</u>	<u>6,556,047</u>	<u>4,111,916</u>	<u>3,300,993</u>	<u>4,017,422</u>	<u>14,079,630</u>
Total governmental funds	\$ <u>11,070,486</u>	\$ <u>12,121,685</u>	\$ <u>9,573,892</u>	\$ <u>9,982,902</u>	\$ <u>9,103,776</u>	\$ <u>9,546,009</u>	\$ <u>11,267,745</u>	\$ <u>24,012,752</u>

City of Bryant, Arkansas
 Changes in Fund Balance, Governmental Funds
 Last Eight Fiscal Years
 (regulatory basis of accounting for years 2011 - 2014, modified cash for 2015 forward)

	2011	2012	2013	2014	2015	2016	2017	2018
Revenues								
Taxes	\$ 11,250,072	\$ 12,119,907	\$ 12,394,379	\$ 12,361,294	\$ 12,906,179	\$ 12,534,437	13,458,462	13,814,137
Licenses, fees and permits	2,142,673	2,223,483	2,455,731	2,664,795	2,135,035	1,126,037	1,102,966	1,316,134
Intergovernmental (State and Federal Aid)	1,855,530	1,473,340	1,227,088	1,708,038	570,654	70,690	636,179	1,986,396
Fines and penalties	615,670	743,436	556,624	694,009	643,515	584,628	690,931	648,779
Investment earnings	32,702	32,767	28,157	20,218	31,151	4,525	5,065	319,059
Other Revenue	488,994	530,873	439,254	718,360	3,963,600	2,500,094	1,917,635	2,260,352
Total Revenues	16,385,641	17,123,806	17,101,233	18,166,714	20,250,134	16,820,411	17,811,238	20,344,857
Expenditures								
General government	2,581,874	1,723,971	1,933,660	1,575,682	1,866,065	946,275	982,104	946,291
Community development	122,944	11,390	113	194,017	154,527	154,527	227,075	254,938
Parks and recreation	2,119,594	1,961,947	2,445,539	2,257,338	2,122,505	2,458,388	2,350,242	2,702,383
Public safety	6,993,342	8,613,803	8,204,930	7,809,070	7,778,346	9,849,078	8,650,460	8,980,734
Public works	1,816,600	2,604,193	3,820,650	2,934,301	2,285,482	3,543,770	1,856,144	1,742,464
Debt service							517,447	482,843
Principal	1,973,542	1,799,305	2,260,490	2,159,987	783,088	14,008	2,400,065	38,429
Interest and other charges	1,064,406	1,100,961	1,075,339	1,021,327				
Capital outlay								
Total Expenditures	16,672,302	17,815,570	19,740,721	17,757,705	15,029,503	16,966,046	16,983,537	16,436,470
Excess of revenues over (under) expenditures	(286,661)	(691,764)	(2,639,488)	409,009	5,220,631	(145,635)	827,701	(11,239,693)
Other Financing Sources (Uses)								
Proceeds of long term debt	181,500	1,300,000						
Sale of Equipment		77,793	91,695					
Contributed services		400,000						
Transfer in	6,613,693	6,487,377	7,069,649	7,098,417	10,654,244	11,864,750	10,461,583	13,608,381
Transfer out	(6,613,693)	(6,487,377)	(7,069,649)	(7,098,417)	(11,176,827)	(11,276,884)	(11,102,706)	(13,139,767)
Total Financing sources (uses)	181,500	1,777,793	91,695	0	(522,583)	587,866	(641,123)	468,614
Net change in fund balance	(105,161)	1,086,029	(2,547,793)	409,009	4,698,048	442,231	186,578	(10,771,079)

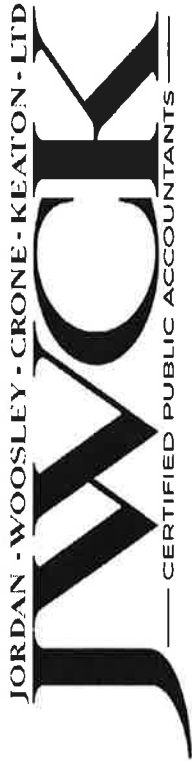
City of Bryant, Arkansas
 Outstanding Debt Obligations by Type
 Last Eight Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government
	Net Special Obligation Bonds	*** Lease Payable	*	Water.WW Bonds	Water Bonds	Wastewater Bonds	Contract Payable		
2011	21,640	1,110		8,086			338	31,174	
2012	20,340	1,912		6,398			106	28,756	
2013	18,741	2,065		6,074			910	27,790	
2014	17,290	1,355		6,135	6,078	5,205	910	36,973	
2015	14,805	731		6,829	5,880	6,845	683	35,773	
2016	39,295	1,488		5,270	5,618	7,520	569	59,760	
2017	37,800	1,014		4,865	5,349	7,173	585	56,786	
2018	36,030	1,633		4,865	5,350	7,173	486	55,537	

*The 2018 Bond Series has not been split out between water and wastewater in the historical audit reports.

** Made up of Revenue Bonds and Sales and Use Tax Bonds, refinanced in 2016, see page 37.

*** The City uses Amendment 78 financing to buy certain items over five years.



Partners
Gary D. Welch, CPA, CVA
Jimmy M. Pate, CPA, CBA, CVA, CRCM
Courtney W. Moore, CPA, CFE, CGMA
Christina B. Ellis, CPA

Principals
Dennis C. Fason, CPA
Phyllis A. Trent, CPA

Founding Partners
Joe L. Woosley, CPA
(1932-Present)
Harry C. Keaton, CPA
(1920-2005)
Clarence W. Jordan, CPA
(1930-2009)
Glen W. Crone, Jr., CPA
(1936-2016)

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

To the Mayor and City Council
City of Bryant, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States,¹ the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bryant, Arkansas as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Bryant, Arkansas' basic financial statements, and have issued our report thereon dated January 27, 2020.

MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



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Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bryant, Arkansas' internal control over financial reporting (internal control) 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 of Bryant, Arkansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bryant, Arkansas' 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bryant, Arkansas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

JWCK, Ltd

Hot Springs, Arkansas
January 27, 2020



Partners
Jimmy M. Pate, CPA, CBA, CVA, CRCM
Courtney W. Moore, CPA, CFE, CGMA
Christina B. Ellis, CPA
Gary D. Welch, CPA, CVA

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Founding Partners
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(1932-Present)
Harry C. Keaton, CPA
(1920-2005)
Clarence W. Jordan, CPA
(1930-2009)
Glen W. Crone, Jr., CPA
(1936-2016)

Independent Auditors Report on Compliance with Certain State Acts

Mayor and Council
City of Bryant, Arkansas

We have examined management's assertions that the City of Bryant, Arkansas, complied with the requirements of Arkansas Act 15 of 1985 and the following Arkansas statutes during the year ended December 31, 2018.

1. Arkansas Municipal Accounting Law for 1973 § 14-59-101 et seq.
2. Arkansas District Courts and City Courts Accounting Law, § 16-10-210 et seq.
3. Improvement Contracts, §§ 22-9-202- 22-9-204.
4. Budgets, purchases and payments of claims, etc. § 14-58-201 et seq. and § 14-58-301 et seq.
5. Investment of public funds, § 19-1-501 et seq. and
6. Deposit of public funds, §§ 19-8-501-19-8-107.

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

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Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Bryant, Arkansas, complied in all material respects, with the aforementioned requirements for the year ended December 31, 2018.

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

JWCK, Ltd

Hot Springs, Arkansas

January 27, 2020

