



**CITY OF BRYANT, ARKANSAS**  
**Annual Financial Report for the Year Ended**  
**December 31, 2019 with Independent Auditor's Report**

**Annual Financial Report**

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

**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, 2019

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**INTRODUCTORY SECTION**

**City of Bryant  
Finance Department**



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

August , 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, 2019.

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 Bryants' financial statements for the year ended December 31, 2019. The independent auditor's report is found at the beginning of the financial section of this report.

## Profile of the City of Bryant

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 expense categories 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 2019, 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**

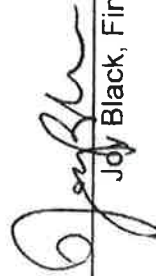
The Financial Statements are prepared by the City based on financial reporting provisions of Ark. Code Ann. 10-4-412, which is a basis of accounting other than the accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

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



Jody Black, Finance Director

List of Elected Positions

Bryant has operated under the Mayoral Form of Government since its inception.

(Shown to the right)

Mayor Allen E. Scott has been Mayor since January 1, 2019 and served through December 31, 2019. The period covered by this report.



Josh Farmer

- City Attorney
- Elected



Allen E. Scott

- Mayor
- Elected



Lorne Gladden

- Ward 1
- Position 1
- Elected



Wade Permenter

- Ward 1
- Position 2
- Elected



B.E. Higginbotham

- Ward 3
- Position 1
- Elected



Rob Roedel

- Ward 3
- Position 2
- Elected



RJ Hawk

- Ward 2
- Position 1
- Elected



Brenda Miller

- Ward 4
- Position 1
- Elected



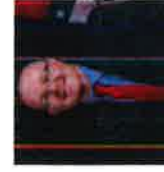
Sue Ashcraft

- City Clerk
- Elected



Star Henson

- Ward 2
- Position 2
- Elected



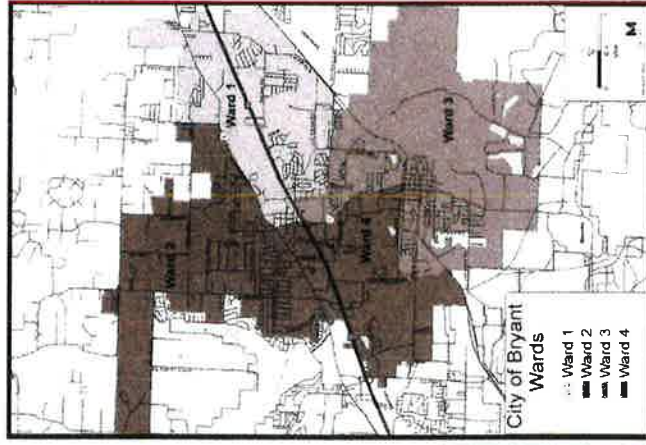
Carlton Billingsley

- Ward 4
- Position 2
- Elected



Judge Stephanie Casady

- District Court of Saline County
- Elected



**Administration Dept - Human Resources, Finance and Legal    Planning Dept - Community Developr**



Charlotte Rue

- HR Director
- Appointed by the Mayor



Joy Black

- Finance Director
- Appointed by the Mayor



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



Carl Minden

- 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 Grimmitt

- Director of Public Works
- Appointed by the Mayor

List of Funds overseen by Department Directors

Fund #	Description	Department	Fund #	Description	Department
001	General Fund	General Govt	165	PD Fleet / Long Term Govt Debt Fund	Admin
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	525	Waste Water Depreciation	Public Works
051	Act 833 of 1991	Fire	535	Sub Div Impact Wastewater	Public Works
055	Fire 3/8 Sales Tax	Fire	550	Impact Water	Public Works
157	Fire Bond 2016 Construction	Fire	555	Impact Wastewater	Public Works
061	Act 918 of 1983	Police	560	Salem Royalty	Public Works
062	Act 988 of 1991 Emergency Vehicles	Police	604	W/WW Ref Rev Bds 2017 Bond Fund	Public Works
066	Federal Drug Control	Police	606	W/WW Ref Rev Bds 2017 DSR	Public Works
068	State Drug Control	Police			

**FINANCIAL SECTION**



**Partners**  
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)

To the Mayor and City Council  
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, each major fund, and the aggregate remaining fund information of the City of Bryant, Arkansas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise The City of Bryant, Arkansas' basic financial statements as listed in the table of contents.

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

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

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501.624.5788



www.jwck.com



126 Hobson Ave.  
Hot Springs, AR 71901

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryant, Arkansas, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, funding progress in OPEB Liability, Changes in Net Pension Liability and Related Ratios on pages 12-23 and page 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bryant, Arkansas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bryant, Arkansas' internal control over financial reporting and compliance.

*JWC, Ltd*

Certified Public Accountants  
Hot Springs, Arkansas

September 25, 2020



## **Management Discussion and Analysis**

As management of the City of Bryant, we offer readers of the City of Bryant's financial statements this narrative overview and analysis of the financial activities of the City of Bryant for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented in conjunction with the additional information that we furnished in our letter of transmittal, which can be found on pages 2-5 of this report.

#### Financial Highlights

- \* The City's assets of \$101,148,648 and deferred outflows of \$10,602,763 exceeded its liabilities of \$70,834,047 and deferred inflow of \$1,392,307 by \$39,525,057. This is the City's net position balance. This is an increase from the prior year amount of \$31,872,070.
- \* The net position of the governmental activities increased by \$7,041,867.
- \* The net position of the business-type activities increased by \$611,122.
- \* As of December 31, 2019, the City of Bryant governmental funds reported combined ending fund balances of \$21,028,252, a decrease of \$3,532,387 from 2018.
- \* At the end of 2019, the unassigned fund balance for the General Fund was \$0 because of LOPFI the Local Fire and Police Retirement Plans.
- \* A comparison of total liabilities for 2019 and 2018, as stated on the statement of net position, shows a decrease of \$3,712,408. This was due to decreases in accounts payable and long term debt.

#### Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consist of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements.** The governmental-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Bryant is improving or deteriorating.

The statement of activities presents information showing how the City of Bryant's net position changed during 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities include community development, general government, parks and recreation, public safety, and public works (although at the City of Bryant the majority of the Public Works Department is Business-Type activities). The business-type activities of the City include water, wastewater and stormwater operations.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bryant, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers can better understand the long-term effect of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bryant maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund both of which are considered to be major funds. Data for the other 11 funds is combined into a single aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in this report on pages 65-68.

The basic governmental fund financial statements are on pages 27 through 32 of this report.

Proprietary Funds. The City has only one type of Proprietary Fund, Enterprise funds, which are used to report the same functions presented as Business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, and stormwater operations.

The basic proprietary fund financial statements are on pages 33 and 34 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund's statements are on pages 35 and 36 of this report. The City of Bryant has only agency funds.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are on pages 37 through 63 of this report.

Government-Wide Overall Financial Analysis

City of Bryant Net Position

	Governmental Activities			Business-type Activities		Total
	2019	2018	2019	2018	2019	
<b>ASSETS</b>						
Current and other assets	23,182,363	26,211,128	6,239,303	5,845,837	29,421,666	32,056,965
Capita assets	34,692,212	30,322,388	37,034,770	38,119,995	71,726,982	68,442,383
<u>Total Assets</u>	<u>57,874,575</u>	<u>56,533,516</u>	<u>43,274,073</u>	<u>43,965,832</u>	<u>101,148,648</u>	<u>100,499,348</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>10,492,952</b>	<b>9,245,097</b>	<b>109,811</b>	<b>129,119</b>	<b>10,602,763</b>	<b>9,374,216</b>
<b>LIABILITIES</b>						
Other liabilities	1,923,667	2,067,422	2,081,082	2,117,550	4,004,749	4,184,972
Noncurrent liabilities	50,790,091	53,076,491	16,039,207	17,284,992	66,829,298	70,361,483
<u>Total Liabilities</u>	<u>52,713,758</u>	<u>55,143,913</u>	<u>18,120,289</u>	<u>19,402,542</u>	<u>70,834,047</u>	<u>74,546,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,355,314</b>	<b>3,721,666</b>	<b>36,993</b>	<b>76,925</b>	<b>1,392,307</b>	<b>3,798,591</b>
<b>NET POSITION</b>						
Net investment in capital assets						
Restricted	14,298,455	6,913,034	25,226,602	24,615,484	39,525,057	31,528,518
Unrestricted						
Total Net Position	14,298,455	6,913,034	25,226,602	24,615,484	39,525,057	31,528,518

City of Bryant, Arkansas  
Management's Discussion and Analysis  
December 31, 2019

Net position can serve over time as a useful indicator of a government's financial position. In the case of the City of Bryant, assets exceeded liabilities by \$39,525,058 as of December 31, 2019.

The next table shows the changes in net position at year end and revenue and expense comparisons to 2018.

REVENUES	Governmental Activities			Business-type Activities			Total
	2019	2018	2019	2018	2019	2018	
Program revenues:							
Charges for services	3,200,544	4,709,459	8,206,846	8,962,404	11,407,390	13,671,863	
Operating grants and contributions	34,409	26,300			34,409	26,300	
Capital grants and contributions	0	250,000			0	250,000	
General revenues:							
Sales tax	15,163,978	15,478,227			15,163,978	15,478,227	
Franchise tax	1,317,696	1,325,949			1,317,696	1,325,949	
Property tax	2,345,059	2,105,599			2,345,059	2,105,599	
Investment Income	290,333	578,545	10,284	12,778	300,617	591,323	
Transfers	(499,997)	0	500,000	(8,223)	3	(8,223)	
<b>Total Revenues</b>	<b>21,852,022</b>	<b>24,474,079</b>	<b>8,717,130</b>	<b>8,966,959</b>	<b>30,569,152</b>	<b>33,441,038</b>	
EXPENSES							
General government	3,895,279	1,796,359			3,895,279	1,796,359	
Community Development	197,022	254,938			197,022	254,938	
Parks and Recreation	2,807,523	2,702,383			2,807,523	2,702,383	
Public Safety	4,381,508	8,834,113			4,381,508	8,834,113	
Public Works	2,439,318	1,975,264			2,439,318	1,975,264	
Interest on long-term debt	1,089,505	38,429			1,089,505	38,429	
Water, Wastewater, Stormwater Operating			7,667,125	6,382,112	7,667,125	6,382,112	
Water, Wastewater, Stormwater Non Operating			438,883	609,274	438,883	609,274	
<b>Total Expenses</b>	<b>14,810,155</b>	<b>15,601,486</b>	<b>8,106,008</b>	<b>6,991,386</b>	<b>22,916,163</b>	<b>22,592,872</b>	
Change in net position	7,041,867	8,872,593	611,122	1,975,573	7,652,989	10,848,166	
Net position - beginning of year	7,256,588	(1,959,557)	24,615,482	22,639,909	31,872,070	20,680,352	
Net position - end of year	14,298,455	6,913,036	25,226,604	24,615,482	39,525,059	31,528,518	

#### Governmental activities

The net position of the governmental activities was a positive \$14,298,455 as of December 31, 2019. The change in net position on page 29 was a negative but mostly due to capital outlay which on the Statement of Activities for Governmental Activities is not present. Instead the capital outlay is capitalized and shown as Fixed Assets on the balance sheet.

The City has two major governmental funds: General Fund and Street Fund:

**General Fund:** The original budget for the general fund reflected an increase in fund balance of \$464,123. Reappropriations and various amendments increased it to a budgeted reduction of \$1,629,998. The actual results produced a reduction of only \$1,795,454.

**Revenues -** The City has a 1% general sales tax and it is 23% of the General Fund revenue budget. The City has a 1% Designated Sales Tax as well and it is 17% of the General fund revenue budget. The Designated Tax is designated at 10% for both Parks and Animal Control, 25% for both Fire and Police and 30% for Streets. The final 1% of Sales Tax collected by the City is split 1/8 towards Fire, 3/8 towards Parks and one half towards bonded debt repayment. The State of Arkansas serves as a collection agency for the City's sales taxes and only provides business sector information, so it makes analysis of sales tax data challenging.

**Franchise Fees** are 7% of the revenue budget. They are collected in a separate fund but those funds are shown together in the Audit Report. Franchise Fees are fairly consistent and relatively predictable but they will change slightly from year to year based on weather, utility rate changes, and usage patterns (like the migration to cell phones and on line television options).

**Expenditures -** The General Fund Expenditures, including transfers were originally budgeted at \$13.6mil. Reappropriations and adjustments resulted in an amended budget of \$15mil. Actual Expenditures were \$15.6mil producing a negative variance with the final budget of \$165,456. The largest category of expenditures in general fund by far is personnel, making up 66%. After that the next highest % category is Building and Grounds which includes utility payments for water and electricity. It makes up 8%. Each year the City's staff strives to work on lowering that percentage and adding back in more planned capital and maintenance that is needed each year. However, it is a fine line because each year the City staff also works to draw the overall pay rates closer in line with the surrounding areas. Each year the City of Bryant loses employees to other surrounding cities who are larger and can pay more.

Two of the largest departments within General Fund are Police and Fire. These two departments are funded almost exclusively by Sales Tax. First they have dedicated Sales Tax components for each. Police and Fire both receive 25% of the 1% Designated Tax received each month via the State. Fire also additionally receives 3/8 of a 1/2 cent sales tax split with Parks. But both of these designated sales tax components are not enough to fund these departments entirely. They still receive additional amounts of the 1% general sales tax. Both of these departments have high personnel costs, a large component of which is their pensions. The match rates are very high and continue to increase each year.

#### Street Fund

The Major Sources of revenue for the Street fund are the State Turnback (1/2 state tax in part) and the 30% of the 1% of Designated tax allocated to Streets. With the rapid increase in population over the past several years in Bryant traffic congestion has become a major issue. Each year the Street funds are used to create new roads as well as lengthen and widen existing roads. The City works in conjunction with the surrounding cities, the county and the state on many of these projects. The major categories of expenses in the Street fund are Construction Projects, Supplies and Personnel making up 42%.

#### Business-Type Activities

The beginning net position for business-type activities increased by \$611,121 in 2019. The ending net position was \$25,226,603. Capital assets decreased \$1,085,225 and long term liabilities decreased \$1,245,785. The decrease in capital assets was due to adding only about a \$1 million assets while taking \$2mil in depreciation. The decrease in long term liabilities was mainly due to payments on bonds and notes payable.

The Utility Revenue Fund is used to house the incoming revenues associated with the Water, Wastewater and Stormwater fees on the Utility bills. When it is reviewed separately it shows these various revenue streams and then on the expense side it shows the transferring out of these revenues into the various funds they belong to specifically.

The Utility Department of the City of Bryant serves not only the citizens of Bryant but also portions of the surrounding county. Currently in 2019 the Utility Department for Bryant receives all its water from the Central Arkansas Water Authority. Because of its proximity to Little Rock it was deemed unnecessary to build Bryant's own water plant. However, one of the top priorities of the Public Works Department is to secure multiple stable water supply sources for the future. In 2010 water rights to Lake DeGray were obtained and currently in 2019 another source of water is being explored. The City internally reviews its water rates each year and has an external review of the rates performed every three years. 2019 was an internal rate review year but 2020 will be an external rate review period.

Another focus has been the monthly review of unaccounted for water usage and steps have been taken to decrease this amount. This and other metrics are reviewed monthly by the advisory committee. This committee is made up of 8 citizens. They more closely review the Utility fund activities and make recommendations to the City Council based on their reviews.

The Wastewater Department expenses are under a different department but in the same fund with the water expenses. The City has a Wastewater plant. In 2018 the City changed methodology and built a centrifuge to spin the water out of the refuse and send the solid portion to the land fill. For the foreseeable future this methodology is going to be employed by the City. Due to stormwater inflows and infiltration into the Wastewater system the City was put under a Consent Action Order (CAO) by the State of Arkansas. Well before this CAO and since, the City has worked on mitigating and minimizing these and other Stormwater issues. In 2016 the City created a separate Stormwater Fund and started charging a Stormwater fee on the Utility Bills. While these fees do not currently fund all the expenses associated with Stormwater issues it is a starting point and the City continues to work on allocating these citizen expenses equitably. Wastewater billing is based on water sales but their rates are determined independently; however, because one is based on the other they will track along parallel lines regarding their revenue streams.

Note further during 2019 Council voted to transfer \$500,000 to both the Street and Stormwater Funds to handle Stormwater issues in the future. Because the Street fund is a governmental fund while the Stormwater fund is an Enterprise fund only \$500,000 of this transfer shows up on the Statement of Activities.

Capital Asset and Debt Administration

Capital Assets: At December 31, 2019, the City's investment in capital assets for its governmental and business type activities amounted to \$71,865,135, net of accumulated depreciation. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and roads. The following table details the breakdown of the City's capital assets.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018
Land	3,465,314	3,184,042	49,538	116,293	3,514,852	3,300,335
Park Facilities	3,803,986	3,018,508	-	-	3,803,986	3,018,508
Buildings	14,774,628	14,043,114	17,297,641	3,342,331	32,072,269	17,385,445
Vehicles	7,670,304	8,526,434	-	-	7,670,304	8,526,434
Heavy Machinery	2,284,001	1,748,266	13,088,145	43,158,199	15,372,146	44,906,465
Equipment	3,587,018	3,469,497	-	-	3,587,018	3,469,497
Roads & Bridges	1,377,657	1,377,657	-	-	1,377,657	1,377,657
Infrastructure	13,315,684	9,185,723	25,274,561	8,274,240	38,590,245	17,459,963
Water Storage Agreement	-	-	1,358,213	1,358,213	1,358,213	1,358,213
Totals	50,278,592	44,553,241	57,068,098	56,249,276	107,346,690	100,802,517
Accumulated Depreciation	(15,586,378)	(14,230,855)	(20,033,326)	(18,129,280)	(35,619,704)	(32,360,135)
Net Capital Assets	34,692,214	30,322,386	37,034,772	38,119,996	71,726,986	68,442,382

Additional information on the City's capital assets is on pages 45 through 47 of this report. Major completed capital asset events during the current fiscal year included the following:



City of Bryant, Arkansas  
 Management's Discussion and Analysis  
 December 31, 2019

Long Term Debt

The City's total bonded debt decreased by \$3,016,549 (5.65 %) during 2019. The following table details the breakdown of the principal due on this debt.

<u>Government Wide</u>	<u>2019</u>	<u>2018</u>
2016 Sales and Use Tax Bond (includes a portion for Parks, Fire and Street Franchise Fee	24,485,000	26,050,000
2011 Water	9,645,000	9,980,000
2012 Wastewater	5,071,985	5,350,113
2017 Water/Wastewater	6,814,915	7,173,336
<u>Total Bonded indebtedness</u>	<u>50,401,900</u>	<u>53,418,449</u>

Additional information on the City's long term debt is on pages 48 through 50 of this report. In the last several years when possible and recommended the City has refinanced its debt obtaining better rates for the City overall. The last rating the City received was an "A+" rating from Standard & Poor's for the Sales and Use Tax Bonds, Series 2016. Under the Arkansas Constitution, the City is allowed to issue, with voter approval, general obligation (GO) debt up to 20% of total assessed valuation. This translates to allowable GO debt of \$57.35 million for the year ending 2019. As of the end of 2019, the City had no GO Debt. Both of the City's governmental debt issuances are not funded by general monies but rather by dedicated sources, sales tax and Franchise Fees. The City is also allowed to issue short term debt (maturities of less than five years) up to 5% of total assessed valuation. Outstanding short term financings of \$1 Million are well below the statutory limit of \$14.3 million. Voter approval is not required for short term financing.

**Economic Factors and the Next Year's Budget and Rates**

The following economic factors currently affect the City of Bryant and were considered in developing the 2019 Budget.

Sales Tax has shown a general trend of increasing from 2012 forward at an average of 3.7% see the chart below. So an estimated increase of 2% over the Sales Tax through August of 2018 when the budget development began was used. The actual increase for 2019 was 4.9%.

**City Sales & Use Tax (Three Cent Sales Tax)**

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
<b>2011</b>	838,829	1,036,222	750,597	789,903	882,126	852,639	876,781	882,602	874,371	888,881	884,298	846,277	10,403,526
<b>2012</b>	861,185	1,067,401	805,450	893,549	1,029,730	927,500	967,355	970,081	881,285	943,937	927,061	884,848	11,159,382
<b>2013</b>	930,471	1,087,258	866,467	922,534	1,006,764	964,906	983,742	985,949	898,138	958,546	927,035	888,383	11,420,192
<b>2014</b>	963,538	1,021,873	808,370	903,239	1,033,766	894,179	1,006,970	963,548	950,648	971,548	976,553	954,234	11,448,466
<b>2015</b>	901,561	1,162,729	817,653	956,557	1,103,469	1,043,758	1,098,929	1,118,196	1,075,314	1,120,300	1,074,631	1,012,371	12,485,468
<b>2016</b>	1,002,072	1,202,594	885,470	976,896	1,135,189	920,742	1,072,236	1,068,443	1,097,107	1,084,466	1,089,853	1,035,963	12,571,031
<b>2017</b>	1,047,642	1,291,007	966,327	987,020	1,129,225	1,051,411	1,166,069	1,105,701	1,088,135	1,111,557	1,088,240	1,018,661	13,050,995
<b>2018</b>	1,063,307	1,295,841	969,264	939,761	1,245,252	1,093,015	1,195,341	1,240,049	1,179,113	1,056,462	1,099,036	1,093,013	13,469,452
<b>2019</b>	1,162,181	1,323,467	1,043,677	1,027,608	1,205,192	1,190,014	1,258,250	1,257,197	1,140,531	1,243,134	1,155,335	1,157,926	14,164,513

Additionally, the Heart Hospital broke ground on a new facility located within the City limits of Bryant during 2019. While the hospital itself is not expected to generate much if any Sales tax (houses one cafeteria) it will bring new people to the area to eat in Bryant restaurants and stay at Bryant hotels and it will additionally provide up to 200 new jobs. Those people taking those jobs are likely to live within Bryant as well bringing in additional revenues.

Several improvements to the area known as the Heart of Bryant were completed in 2019. It is hoped that these improvements in that area lead to more pedestrian traffic and therefore more businesses which in turn would generate more sales tax.

Rate increases for water and wastewater are scheduled for 2020 and a review of the Stormwater fee is also to be undertaken in 2020.

The city continued using the Arkansas Municipal League's Municipal Health Benefit Fund for the city's employees health insurance. Although a rate increase did not happen in 2019 with general national trends it would not be unexpected in 2020. Currently, the city has not budgeted for that however, because those rates only change in mid year.

The City continues to lose its personnel to neighboring cities and has been shown to pay below the market average for several years now. In 2020 a committee was formed to review Certification pay, Education Pay and any possible raises either from evaluations or COLA (cost of living).

A great deal of money was budgeted in both 2019 and 2020 for meeting the requirements of the Consent Action Order related to the Wastewater infrastructure of the city.

Request for Information

This financial report is designed to provide a general overview of the City of Bryant's finances for all those with an interest in such. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at City Hall at 210 SW 3rd Street Bryant, AR 72022 or an email sent to [finance@cityofbryant.com](mailto:finance@cityofbryant.com). An electronic version of this report as well as other information is available on the City's website at [www.cityofbryant.com](http://www.cityofbryant.com).

**BASIC FINANCIAL STATEMENTS**

	Governmental Activities	Business-type Activities	Primary Government
<b>ASSETS</b>			
Cash and cash equivalents	\$13,846,084	\$5,725,096	\$19,571,180
Investments	9,312,232		9,312,232
Accounts receivable(net of a lowance for uncollectibles)	24,047	514,207	538,254
Fixed Assets (Net of Accumulated Depreciation)	34,692,212	37,034,770	71,726,982
<b>Total Assets</b>	<b>57,874,575</b>	<b>43,274,073</b>	<b>101,148,648</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension contributions	5,191,570		5,191,570
Pension - changes in assumptions	1,845,189		1,845,189
Pension - difference between expected and actual experience	748,885	109,811	858,696
Pension - Net difference between projected and actual earnings on pension plan investments	2,193,286		2,193,286
Pension - Changes in proportion and differences between City contributions and proportionate share of contributions	514,022		514,022
<b>Total Deferred Outflows of Resources</b>	<b>10,492,952</b>	<b>109,811</b>	<b>10,602,763</b>
<b>LIABILITIES</b>			
Accounts payable	280,997	129,628	410,625
Customer deposits payable		619,816	619,816
Accrued interest	59,153	84,460	143,613
Note/Contract payable	525,569	104,917	630,486
Bonds payable, short term portion	1,020,000	1,142,262	2,162,262
Other liabilities	37,948		37,948
<b>Total Current Liabilities</b>	<b>1,923,667</b>	<b>2,081,083</b>	<b>4,004,749</b>
<b>Due in more than one year:</b>			
Bond payable	33,110,000	15,129,638	48,239,638
Note/Contract payable	506,023	218,543	724,566
Other post employment benefits obligation	1,176,430		1,176,430
Net pension liability	15,997,638	691,026	16,688,664
<b>Total Noncurrent Liabilities</b>	<b>50,790,091</b>	<b>16,039,207</b>	<b>66,829,298</b>
<b>Total Liabilities</b>	<b>52,713,758</b>	<b>18,120,289</b>	<b>70,834,047</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension - difference between expected and actual experience	7,898		7,898
OPEB - changes in assumptions	5,745		5,745
OPEB - difference between expected and actual experience	78,061		78,061
Pension - changes in assumptions	204,340		204,340
Pension - Net difference between projected and actual earnings on pension plan investments	741,534	36,993	778,527
Pension - Changes in proportion and differences between City contributions and proportionate share of contributions	317,736		317,736
<b>Total Deferred Inflows of Resources</b>	<b>1,355,314</b>	<b>36,993</b>	<b>1,392,307</b>
<b>NET POSITION</b>			
<b>Restricted for:</b>			
Public safety	14,298,455		14,298,455
Public works		25,226,604	25,226,604
<b>Total Net Position</b>	<b>\$14,298,455</b>	<b>\$25,226,604</b>	<b>\$39,525,059</b>

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

City of Bryant, Arkansas  
Statement of Activities  
For the Year Ended December 31, 2019

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>						
<b>Governmental Activities</b>						
General government	\$3,895,279	\$14,814		(\$3,880,465)		(\$3,880,465)
Community development	197,022	4,351		(192,671)		(192,671)
Parks and recreation	2,807,523	920,733		(1,886,790)		(1,886,790)
Public safety	4,381,508	1,899,281	34,409	(2,447,818)		(2,447,818)
Public works (Street)	2,439,318	361,365		(2,077,953)		(2,077,953)
Interest expense	1,089,505			(1,089,505)		
<b>Total Governmental Activities</b>	<b>14,810,155</b>	<b>3,200,544</b>	<b>34,409</b>	<b>(11,575,202)</b>		<b>(11,575,202)</b>
<b>Business-Type Activities</b>						
Water, Wastewater and Stormwater	7,667,125	8,206,846			539,721	539,721
Non-operating	438,883				(438,883)	(438,883)
<b>Total Business-Type Activities</b>	<b>8,106,008</b>	<b>8,206,846</b>			<b>100,838</b>	<b>100,838</b>
<b>Total Primary Government</b>	<b>\$22,916,163</b>	<b>\$11,407,390</b>	<b>\$34,409</b>	<b>(\$11,575,202)</b>	<b>\$100,838</b>	<b>(\$11,474,364)</b>
Sales taxes				15,163,978		15,163,978
Property taxes				2,345,059		2,345,059
Franchise fees				1,317,696		1,317,696
Investment earnings				290,333	10,284	300,617
Transfers				(499,997)	500,000	3
Total general revenues and transfers				18,617,069	510,284	19,127,353
Change in net position				7,041,867	611,122	7,652,989
Net position - beginning of year				7,256,588	24,615,482	31,872,070
Net position - ending of year				\$14,298,455	\$25,226,604	\$39,525,059

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

	Special Revenue				Total Governmental Funds
	General Fund	Street Fund	Other Governmental Funds		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,332,496	\$ 2,376,132	\$ 2,334,545	\$	13,043,173
Investments	118,805	8,161,172			8,279,977
Accounts receivable	24,047				24,047
<b>Total Assets</b>	<b>8,475,348</b>	<b>10,537,304</b>	<b>2,334,545</b>	<b>\$</b>	<b>21,347,197</b>
<b>LIABILITIES</b>					
Accounts payable	126,462	154,535			280,997
Unearned revenue	6,876		31,072		37,948
<b>Total Liabilities</b>	<b>133,338</b>	<b>154,535</b>	<b>31,072</b>	<b>\$</b>	<b>318,945</b>
<b>FUND BALANCES</b>					
Unrestricted					
Restricted					
LOPFI	8,342,010				8,342,010
Public works		10,382,769	214,676		10,597,445
Public safety			1,847,206		1,847,206
Parks and Recreation			241,591		241,591
<b>Total Fund Balances</b>	<b>8,342,010</b>	<b>10,382,769</b>	<b>2,303,473</b>	<b>\$</b>	<b>21,028,252</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,475,348</b>	<b>\$ 10,537,304</b>	<b>\$ 2,334,545</b>	<b>\$</b>	<b>\$ 21,347,197</b>

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

City of Bryant, Arkansas  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position December 31, 2019

<b>Total fund balances - governmental funds (page 27)</b>	<b>\$21,028,252</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,692,212
Long term liabilities, (notes and bonds payable) are not due and payable in the current period and therefore are not reported in the funds, these are accounted for in debt service funds which also have items such as accrued interest and cash	(33,385,580)
Net pension and OPEB liabilities are not reported in the funds.	(17,174,068)
Deferred outflows related to pension contribution and investment losses are not reported in the funds.	10,492,952
Deferred inflows related to differences in pension experience and OPEB are not reported in the funds.	(1,355,314)
<b>Net position of governmental activities (page 25)</b>	<b>\$14,298,454</b>

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  
Governmental Funds  
For the Year Ending December 31, 2019

	General Fund	Street Fund	Non Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 5,750,248	\$ 1,736,323	\$ 7,661,717	\$ 15,148,288
Fees and permits	421,133			421,133
Membership and Rental Fees, Park Programming	598,524			598,524
Grant Revenues	34,410			34,410
Reimbursements	398,154	272,794	38,336	709,283
Sale of services	1,529,416			1,529,416
Fines and forfeitures	688,203		35,845	724,048
Investment earnings	23,614	211,328	7,373	242,315
Misc. *	426,453	88,573	20,828	535,854
<b>Total Revenues</b>	<b>9,870,154</b>	<b>2,309,018</b>	<b>7,764,099</b>	<b>\$ 19,943,271</b>
<b>EXPENDITURES</b>				
General Government	942,007		185,699	1,127,706
Planning	197,022			197,022
Parks and recreation	2,602,342			2,602,342
Public safety	9,188,382		100,163	9,288,545
Public works	-	1,898,322		1,898,322
Debt service	600,354			600,354
Interest and other charges	31,924			31,924
Capital Outlay	2,048,728	4,534,817		6,583,545
<b>Total Expenditures</b>	<b>15,610,760</b>	<b>6,433,139</b>	<b>285,862</b>	<b>\$ 22,329,762</b>
Excess (deficiency) of revenues over (under) expenditures	(5,740,606)	(4,124,121)	7,478,237	(2,386,491)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,286,049	1,856,000		12,142,049
Transfers out	(6,340,897)		(6,947,048)	(13,287,945)
<b>Total other financing sources (uses)</b>	<b>3,945,152</b>	<b>1,856,000</b>	<b>(6,947,048)</b>	<b>(1,145,896)</b>
Changes in fund balances	(1,795,454)	(2,268,121)	531,189	(3,532,387)
Fund balance - beginning after restatement	10,137,464	12,650,889	1,772,293	24,560,646
Fund balance - ending	<b>8,342,010</b>	<b>\$ 10,382,768</b>	<b>\$ 2,303,482</b>	<b>\$ 21,028,259</b>

\*Sale of Equip, Donations and Sponsorships

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

City of Bryant, Arkansas  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 to the Statement of Activities December 31, 2019

**Net Changes in Fund Balances - total governmental funds (page 29)** (\$3,532,387)  
 Amounts reported for governmental activities in the statement of activities are different because:

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. 6,583,545

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.

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. 600,354

Pension expense is reported as the amount paid in the fund, but incorporates deferred outflows and deferred inflows in the Statement of Activities. 3,390,354

**Change in the net position of governmental activities (page 26)** \$7,041,867

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, 2019

	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,373,700	\$ 5,373,700	\$ 5,750,248	\$ 376,548
Fees and Permits	378,045	394,045	421,133	27,088
Membership and Rental Fees, Park Programming	683,995	724,495	598,524	(125,971)
Grant Revenues	31,200	67,200	34,410	(32,790)
Reimbursements (SRO, Court, Code, State)	399,500	434,500	398,154	(36,346)
Sale of services	1,525,000	1,546,300	1,529,416	(16,884)
Fines and forfeitures	539,680	539,680	688,203	148,523
Investment earnings	1,550	1,550	23,612	22,062
Miscellaneous (Sale of equip, Donations, Sponsorships)	432,970	436,911	426,453	(10,458)
<b>Total Revenues</b>	<b>9,365,640</b>	<b>9,518,381</b>	<b>9,870,153</b>	<b>351,772</b>
<b>EXPENDITURES</b>				
Admin (Mayor, City Clerk, Finance, Attorney, HR, IT)	934,405	1,275,490	1,171,886	103,604
Planning	321,732	321,067	197,022	124,045
Parks and Recreation	2,510,195	3,114,577	3,895,164	(780,587)
<b>Public Safety:</b>				
Police	4,587,375	4,828,832	4,819,919	8,914
Fire	4,004,408	4,173,460	4,304,985	(131,525)
Court	460,748	464,248	430,926	33,322
Code	383,943	402,093	376,215	25,878
Animal	448,711	425,611	414,643	10,968
<b>Total Public Safety</b>	<b>9,885,185</b>	<b>10,294,244</b>	<b>10,346,688</b>	<b>(52,443)</b>
<b>Total Expenditures</b>	<b>13,651,517</b>	<b>15,005,378</b>	<b>15,610,759</b>	<b>(605,381)</b>
Excess (deficiency) of revenues over expenditures				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,094,000	10,201,000	10,286,049	85,049
Transfers out	(5,344,000)	(6,344,000)	(6,340,897)	3,103
<b>Total Other Financing Sources and Uses</b>	<b>4,750,000</b>	<b>3,857,000</b>	<b>3,945,152</b>	<b>88,152</b>
Net change in fund balance	464,123	(1,629,998)	(1,795,454)	(165,456)
Fund balances - beginning after restatement			10,137,464	
Fund balances - ending			<b>8,342,010</b>	

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, 2019

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,673,818	\$ 1,673,818	\$ 1,736,323	\$ 62,505
Reimbursements	0	0	272,794	272,794
Investment earnings	750	750	211,328	210,578
Miscellaneous	1,000	51,250	88,573	37,323
<b>Total Revenues</b>	<b>1,675,568</b>	<b>1,725,818</b>	<b>2,309,018</b>	<b>\$ 583,200</b>
<b>EXPENDITURES</b>				
Public works: Street and Stormwater Operations				
Personnel	1,075,972	1,085,472	1,027,315	58,157
Services (Building, Grounds)	67,720	79,720	76,232	3,488
Supplies (and Vehicle)	190,850	172,850	130,019	42,831
Supplies and Operations	458,400	474,400	446,520	27,880
Misc (including Construction not Capital)	525,500	532,258	218,238	314,021
Capital Outlay	2,053,355	11,353,255	4,534,817	6,818,438
<b>Total Expenditures</b>	<b>4,371,797</b>	<b>13,697,955</b>	<b>6,433,140</b>	<b>7,264,815</b>
Excess (deficiency) of revenues over (under)	<b>(2,696,229)</b>	<b>(11,972,137)</b>	<b>(4,124,122)</b>	<b>(6,681,615)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,356,000	1,856,000	1,856,000	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (uses)</b>	<b>1,356,000</b>	<b>1,856,000</b>	<b>1,856,000</b>	<b>-</b>
Net change in fund balance	<b>(1,340,229)</b>	<b>(10,116,137)</b>	<b>(2,268,122)</b>	<b>7,848,015</b>
Fund balance - beginning			12,650,889	
Fund balance - ending			<b>\$ 10,382,767</b>	

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 Balance - Budget and Actual  
Water and Wastewater Revenue and Operating Funds  
For the Year Ending December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUES</b>				
Sale of Services	\$8,385,528	\$8,485,028	\$8,060,153	(\$424,875)
Miscellaneous Revenue	73,725	73,725	146,693	72,968
<b>Total Operating Revenues</b>	<b>8,459,253</b>	<b>8,558,753</b>	<b>8,206,846</b>	<b>(351,907)</b>
<b>OPERATING EXPENSES</b>				
Personnel Costs	2,154,597	2,136,763	1,973,582	163,181
Building & Grounds	483,642	563,642	554,967	8,675
Vehicles related expenses	137,000	165,000	165,535	(535)
Supplies/water purchases	2,369,900	2,388,204	2,133,035	255,169
Operational expenses	777,900	838,900	552,369	286,531
Professional Services	138,000	138,000	105,776	32,224
Miscellaneous Operational Expenses	194,275	194,275	161,234	33,041
Depreciation	4,422,500	5,253,779	2,020,627	3,233,152
<b>Total Operating Expenses</b>	<b>10,677,814</b>	<b>11,678,563</b>	<b>7,667,125</b>	<b>4,011,438</b>
<b>Non-operating Revenues (Expenses)</b>				
Interest Income	-	-	10,284	10,284
Interest Expense	(495,322)	(503,301)	(387,864)	115,437
Proceeds from sale of capital assets	-	-	74,643	74,643
Transfers	90,000	250,000	500,000	(250,000)
Bond Fees	(1,113,436)	(1,233,836)	(125,662)	1,108,174
Changes in net position	(1,518,758)	(1,487,137)	71,401	1,558,538
Fund balance - beginning	(3,737,319)	(4,606,947)	611,122	5,218,069
Fund balance - ending			24,615,482	
			<b>\$25,226,604</b>	

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

City of Bryant, Arkansas  
Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2019

<b>Cash flows from operating activities</b>		
Receipts from customers	\$	7,875,653
Payments to employees		(3,729,018)
Payments to suppliers		(1,973,582)
Other Receipts (payments)		146,693
Net cash provided by operating activities		2,319,746
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital assets		(904,907)
Proceeds from sale of capital assets		74,643
Interest paid on capital debt		(392,635)
Principal paid on capital debt		(1,279,677)
Transfer from General Fund for Stormwater Projects		500,000
Other Receipts (payments)		(125,662)
Net cash used in capital and Related Financing Activities		(2,128,238)
<b>Cash flows from Investing Activities</b>		
Interest		10,284
Net cash used in capital and related financing activities		10,284
<b>Decrease in cash and cash equivalents</b>		
Cash and cash equivalents -- January 1		201,792
Cash and cash equivalents -- December 31		5,523,304
	\$	5,725,096
<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities</b>		
Operating Income (loss)		\$539,721
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation Expense		2,020,627
Change in assets and liabilities		
(Increase) decrease in accounts receivable		(191,675)
Increase (decrease) in accounts payable		(56,102)
Increase (decrease) in customer meter deposits		7,175
Net cash provided by operating activities		\$2,319,746

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

City of Bryant, Arkansas  
Statement of Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2019

<b>ASSETS</b>	
Cash and cash equivalents	<u>Agency Funds</u>
Other Assets	\$20,147
<b>Total Assets</b>	(185)
	<u>19,962</u>
<b>LIABILITIES</b>	
Accounts payable	<u>19,962</u>
<b>Total Liabilities</b>	<u>\$19,962</u>

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

City of Bryant, Arkansas  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended December 31, 2019

<b>REVENUES</b>	
Fines and Forfeitures	
<b>Total Revenues</b>	<b>Agency Funds</b>
	<u>\$401,826</u>
	<u>401,826</u>
<b>EXPENSES</b>	
Personnel Expense	4,738
Operations Expense	397,088
<b>Total Expenses</b>	<u>\$401,826</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 9 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. Since there are no differences the balance sheet on the Government Wide statements for the Business Type funds is the only balance sheet presented for those funds. Budgetary details are also presented on page 33 for the Business Type Funds.

**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 Federal 066 and State 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 \$392,367 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, 2019, the deposits and investments held by the city were as follows:

	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>
<b>Deposits:</b>			
Carrying value on the books	\$23,157,416	\$5,724,486	\$28,881,902
Cash on hand	900	610	1,510
<b>Total</b>	<u>\$23,158,316</u>	<u>\$5,725,096</u>	<u>\$28,883,412</u>
Balance at the bank	<u>23,250,922</u>	<u>5,574,298</u>	<u>28,825,220</u>

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. Its 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 \$28,881,905, with a corresponding bank balance of \$28,885,220 (including cash on hand). Of this amount \$28,135,220 (\$750,000 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, 2019, was as follows:

<b>Street Fund</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated				
Land	\$486,052	\$47,652	\$-	\$533,704
Construction in Progress (*Note)	-	-	-	-
<b>Total Capital Assets Not Being Depreciated</b>	<b>486,052</b>	<b>47,652</b>	<b>-</b>	<b>533,704</b>
Capital Assets Being Depreciated				
Buildings	145,922			145,922
Vehicles	1,472,892	47,565	(398,467)	1,121,990
Heavy Machinery	1,748,266	567,073	(31,338)	2,284,001
Roads & Bridges	1,377,657			1,377,657
Infrastructure	9,185,723	4,130,440	(478)	13,315,684
<b>Total Capital Assets Being Depreciated</b>	<b>13,930,460</b>	<b>4,745,078</b>	<b>(430,283)</b>	<b>18,245,255</b>
<b>Total Capital Assets</b>	<b>(3,476,798)</b>	<b>168,298</b>	<b>(536,928)</b>	<b>(3,845,428)</b>
Less Accumulated Depreciation	\$10,939,713	\$4,961,027	(\$967,211)	\$14,933,529
<b>Net Street Fund Capital Assets</b>				
	\$2,697,990	\$233,620		\$2,931,610
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,697,990</b>	<b>233,620</b>		<b>2,931,610</b>
Park Facilities	3,018,508	1,730,318	(944,840)	3,803,986
Buildings	13,897,192	800,169	(68,655)	14,628,706
Vehicles	7,053,542	156,655	(661,883)	6,548,314
Equipment	3,469,497	117,521		3,587,018
<b>Total Capital Assets Being Depreciated</b>	<b>27,438,739</b>	<b>2,804,663</b>	<b>(1,675,378)</b>	<b>28,568,024</b>
Less Accumulated Depreciation	(10,754,057)	634,916	(1,621,809)	(11,740,950)
Net General Fund Capital Assets	19,382,672	3,673,200	(3,297,187)	19,758,685
<b>Total Governmental Fund Assets</b>	<b>\$30,322,385</b>	<b>\$8,634,227</b>	<b>(\$4,264,398)</b>	<b>\$34,692,214</b>
<b>General Fund</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance December 31</b>
Land	\$2,697,990	\$233,620		\$2,931,610
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,697,990</b>	<b>233,620</b>		<b>2,931,610</b>
Park Facilities	3,018,508	1,730,318	(944,840)	3,803,986
Buildings	13,897,192	800,169	(68,655)	14,628,706
Vehicles	7,053,542	156,655	(661,883)	6,548,314
Equipment	3,469,497	117,521		3,587,018
<b>Total Capital Assets Being Depreciated</b>	<b>27,438,739</b>	<b>2,804,663</b>	<b>(1,675,378)</b>	<b>28,568,024</b>
Less Accumulated Depreciation	(10,754,057)	634,916	(1,621,809)	(11,740,950)
Net General Fund Capital Assets	19,382,672	3,673,200	(3,297,187)	19,758,685
<b>Total Governmental Fund Assets</b>	<b>\$30,322,385</b>	<b>\$8,634,227</b>	<b>(\$4,264,398)</b>	<b>\$34,692,214</b>

City of Bryant, Arkansas  
Notes to Financial Statements  
(continued)  
December 31, 2019

<b>Business Type Activities</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance December 31</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$116,293	\$1,792	(\$68,547)	\$49,538
Construction in Progress (*Note)	-			-
<b>Total Capital Assets Not Being Depreciated</b>	<b>116,293</b>	<b>1,792</b>	<b>(68,547)</b>	<b>49,538</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	3,342,331	13,955,310		17,297,641
Infrastructure	8,274,240	17,070,321	(70,000)	25,274,561
Improvements, machinery, and equipment	43,158,199	838,753	(30,908,807)	13,088,145
Water Storage Agreement	1,358,213	-		1,358,213
<b>Total Capital Assets Being Depreciated</b>	<b>56,132,983</b>	<b>31,864,384</b>	<b>(30,978,807)</b>	<b>57,018,560</b>
<b>Less Accumulated Depreciation</b>	<b>(18,129,280)</b>	<b>116,581</b>	<b>(2,020,627)</b>	<b>(20,033,326)</b>
<b>Net Business Assets Being Depreciated</b>	<b>38,003,703</b>	<b>31,980,965</b>	<b>(32,999,434)</b>	<b>36,985,234</b>
<b>Net Business Capital Assets</b>	<b>\$38,119,996</b>	<b>\$31,982,757</b>	<b>(\$33,067,981)</b>	<b>\$37,034,772</b>

\* Portions completed in the year on projects spanning more than one year are recorded within that year so no work in progress is shown.

As of December 31, 2019 the Enterprise, Street and Stormwater Funds (Public Works) had the following active construction projects:

	Expenses Through December 31, 2019	Remaining Contract Commitments	
Basins 3 & 4 and Collection System	\$63,549	\$252,171	PO 2018006345
Bond Series 2011 - Water	-	35,887	PO 2019008317
Bond Series 2012 - Wastewater	-	46,932	PO 2019008314
Bryant Parkway @ Hwy 5	57,986	13,106	PO 2019000694
Dogwood/Bane SW/ST Improvements	139,148	14,940	PO 2019005035
Elm Street & 3rd Street Sidewalks	318,381	86,622	PO 2018008557 / 2019007094/9470
Henson Place Project	21,156	91,360	PO 2019009553
Hidden Creek Project	-	19,000	PO 2019009478
Hildale @ Bryant Roundabout	129,605	18,865	PO 2019003292
Indian Springs 6" Main Replacement	54,882	115,118	PO 2019007395/9147
Justus Loop Drainage Project	-	7,500	PO 2019008409
Raintree Acres Drainage Improvements	7,276	16,716	PO 2019005639
Robinwood Drainage	17,090	3,410	PO 2019006246
Shobe Road Force Main	29,866	60,334	PO 2019003041/9499/9500
Springhill/Hilltop Intersection Improvements	38,500	549,039	PO 2019006254/9201
Timbercreek Drive Culvert Replacement	-	97,723	PO 2019006775
Westpointe Stormwater Drainage	6,300	14,200	PO 2019005497
Woodlark Park Project	-	19,000	PO 2019009479
<b>Total</b>	<b>\$883,739</b>	<b>\$1,461,924</b>	

**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 2019 listed below.

**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
2020	\$300,061	\$4,977	\$225,508	\$13,892	\$525,569	\$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
2024						
<b>Total</b>	<b>\$300,061</b>	<b>\$4,977</b>	<b>\$731,531</b>	<b>\$26,569</b>	<b>\$1,031,592</b>	<b>\$31,547</b>

**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 1/1/2019	Increases	Decreases	Balance at 12/31/2019	Amount Due in 1 year
<b>Government-Type Activities Long Term Debt</b>					
Bonds Payable	\$36,030,000	-	\$1,900,000	\$34,130,000	\$1,020,000
Note Payable	1,583,995	-	552,403	1,031,592	525,569
Net Pension and OPEB Liabilities	15,964,861	1,209,207	-	17,174,068	-
<b>Business-Type Activities Long Term Debt</b>					
Bonds Payable	17,388,451	-	1,116,551	16,271,900	1,142,262
Note/Contract Payable	486,586	-	163,126	323,460	104,917
Net Pension and OPEB Liabilities	\$639,904	\$51,122	-	\$691,026	-

**2016 Sales and Use Tax Bonds**

	Principal	Interest
2020	\$675,000	\$807,138
2021	690,000	793,638
2022	700,000	778,976
2023	720,000	763,225
2024	735,000	746,125
2025 and thereafter	20,965,000	10,055,219
<b>Total</b>	<b>\$24,485,000</b>	<b>\$13,944,321</b>

**2016 Franchise Fee Revenue Bonds**

	Principal	Interest
2020	\$345,000	\$294,719
2021	350,000	286,044
2022	360,000	278,494
2023	370,000	269,819
2024	375,000	261,444
2025 and thereafter	7,845,000	2,602,797
<b>Total</b>	<b>\$9,645,000</b>	<b>\$3,993,316</b>

**2011 Water ANRC Bonds**

	Principal	Interest
2020	\$284,995	\$147,577
2021	293,465	139,107
2022	302,186	130,386
2023	311,166	121,406
2024	320,413	112,159
2025 and thereafter	3,559,760	548,307
<b>Total</b>	<b>\$5,071,985</b>	<b>\$1,198,942</b>

\* does not include the 1% service fee

**2012 Wastewater ANRC Bonds**

	Principal	Interest
2020	\$367,267	\$198,403
2021	378,181	187,489
2022	389,420	176,250
2023	400,992	164,678
2024	412,909	152,761
2025 and thereafter	4,866,146	776,193
<b>Total</b>	<b>\$6,814,915</b>	<b>\$1,655,774</b>

\* does not include the 1% service fee

**2017 Water and Sewer Refunding Bonds**

	Principal	Interest
2020	\$490,000	\$120,916
2021	500,000	111,116
2022	515,000	101,116
2023	145,000	90,301
2024	145,000	87,256
2024 and thereafter	2,590,000	642,763
<b>Total</b>	<b>\$4,385,000</b>	<b>\$1,153,468</b>

**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 civilrights 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, 2019 the City's unfunded liability was \$51,985. 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 2019 payment made was \$10,000, of which \$5,368 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](http://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 to the Plan were \$624,112 for the year ended December 31, 2019.

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

At December 31, 2018, the LOPFI Police and LOPFI Fire reported a liability of \$5,478,431 and \$5,894,650, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The City's proportionate share was .61% and .65% 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, 2018. The contributions used excluded contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes.

**LOPFI Police**

Differences between expected and actual experience  
Difference between expected and actual investment  
earnings on pension plan investments  
Changes in proportion and differences between City contributions and proportionate share of  
Changes of assumptions

	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$291,052	\$0
	1,056,509	355,569
	74,845	156,767
	749,852	0
<b>Total</b>	<b>\$2,172,258</b>	<b>\$512,336</b>

**LOPFI Fire**

Differences between expected and actual experience  
Difference between expected and actual investment  
earnings on pension plan investments  
Changes in proportion and differences between City contributions and proportionate share of  
Changes of assumptions

	\$313,165	\$0
	1,136,777	382,583
	27,653	129,018
	806,822	0
<b>Total</b>	<b>\$2,284,417</b>	<b>\$511,601</b>

At December 31, 2018, LOPFI Police and LOPFI Fire reported \$2,172,258 and \$2,284,417 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, 2018. 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
2019	\$669,641	\$749,926
2020	503,702	512,875
2021	268,256	274,904
2022	218,323	235,111
	<u>\$1,659,922</u>	<u>\$1,772,816</u>

Actuarial Assumptions: The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>LOPFI - Police and Fire</b>	
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, 2018 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, 2018 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, 2018, 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	Net pension liability \$8,085,473	\$5,478,431	\$3,377,659
LOPFI - Fire	Net pension liability \$8,699,759	\$5,894,650	\$3,634,274

**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 55 with 5 years of service,
- at any age with 28 years actual service,
- at age 50 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 \$645,949 for the year ended December 31, 2019.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**  
At December 31, 2019, the City reported a liability of \$5,315,583 for its proportionate share of the APERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's proportion was 0.22%.

For the year ended December 31, 2019, the City recognized APERS pension expense of \$1,203,459. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$144,668	\$7,898
Changes of assumptions	288,515	204,340
Net difference between projected and actual earnings on pension plan investments		40,375
Changes in proportion and differences between City contributions and proportionate share of contributions	411,524	31,951
<b>Total</b>	<b>\$844,707</b>	<b>\$284,564</b>

Actuarial assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2019 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%	6.20%
International Equity	24%	6.33%
Real Assets	16%	3.32%
Absolute Return	5%	3.56%
Domestic Fixed	18%	1.54%
	100%	

Discount rate: The discount rate used to measure the total pension liability was 7.15% for the year ended June 30, 2019. 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	
City's proportionate share of the net pension liability	7.15%	1% Increase 8.15%
	\$7,845,269	\$3,277,270
		1% Decrease 6.15%

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>.

Payable to the pension plan: At December 31, 2019, the City did not have an outstanding amount of contributions due to the pension plan for the year ended December 31, 2019.



**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, 2019. 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 \$1,176,430 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Changes in Total OPEB Liability	
Balance at 12/31/2018	\$1,034,122
1 Service Cost	62,065
2 Interest	39,738
3 Benefit payments	(8,952)
4 Assumption changes	49,457
5 Net change in total OPEB liability	142,308
Balance at 12/31/2019	<u>\$1,176,430</u>

**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 and 3.26% at 12/31/19.

**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 2019: 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 2.26%	1,323,594	Current Single Discount Rate of 3.26%	1,176,430	1% Increase to 4.26%	1,045,243
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Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates

1% Decrease in HCCTR 1,150,593	Assumed HCCTR 1,176,430	1% Increase in HCCTR 1,634,849
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At December 31, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

Difference between expected and actual experience	(78,061)
Changes of assumptions	(5,745)
Total	<u><u>(83,806)</u></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	Net Deferred
December 31:	Outflow/(Inflow)
2020	of Resources
2021	(\$7,278)
2022	(7,278)
2023	(7,278)
2024	(7,278)
Thereafter	(47,416)
Total	<u><u>(\$83,806)</u></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 9,305 active water customers at December 31, 2019. The total annual billable water for customers in 2019 was from 620 commercial and 8,685 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 10,202 wastewater users at December 31, 2019. There are 955 Sewer only accounts; these accounts are not within the city limits. These types of accounts grew in 2019.

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, 2017, 2018, and 2019 was respectively \$157,452, \$322,140, \$287,801 and \$379,854. Additionally, approximately 900-1,000 customers are stormwater fee exempt due to the Sr Citizen discount program.

**NOTE 9: Prior Period Restatement -** The creation and subsequent dissolution of the Bryant Advertising and Promotion Commission led to a prior period adjustment to the beginning balance of the Other Governmental Funds. The 2019 Audit Report showed an ending balance for these funds of \$1,428,740. The City Council voted to create an Advertising and Promotion Commission to collect an A&P 2% Tax on Hotels and Prepared Foods per State Statute 26-75-605 in 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. The ending fund balance of these funds at 12/31/18 was \$343,552 so this amount was added to the beginning balance for the Other Governmental Funds creating a new total of \$1,772,292.

**NOTE 10: Subsequent Events -** On March 22, 2020 the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, President Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. Arkansas Governor Asa Hutchinson further declared a state of emergency in Arkansas as COVID-19 is present in several Arkansas counties as of July 20, 2020. These and expected further actions to deal with the pandemic have and expect to continue to have a negative impact on the economy of the world, United States and Arkansas. The effects of this on the City of Bryant are not yet clear but it is likely it too will see the negative effects on the economy and therefore its revenue streams. Cost cutting measures began in March of 2020 and continue through the publication of this report. The Mayor and Department Heads continue to evaluate purchases based on current sales taxes and necessity.

**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
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,056,054	\$ 39,309	\$ 70,922	\$ 153,663	\$ 58,265
<b>Total Assets</b>	<b>1,056,054</b>	<b>39,309</b>	<b>70,922</b>	<b>153,663</b>	<b>58,265</b>
<b>LIABILITIES</b>					
Unearned revenue		31,072			
<b>Total Liabilities</b>	<b>-</b>	<b>31,072</b>	<b>-</b>	<b>-</b>	<b>-</b>
Sum of Total Assets and Total Liabilities					
<b>FUND BALANCES</b>					
<b>Restricted</b>					
General Government					
Public Works	214,676				
Public Safety	753,450	8,237	70,922		58,265
Other Special Revenue Funds - Parks	87,928			153,663	
<b>Unassigned</b>					
<b>Total Fund Balances</b>	<b>1,056,054</b>	<b>8,237</b>	<b>70,922</b>	<b>153,663</b>	<b>58,265</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,056,054</b>	<b>\$ 39,309</b>	<b>\$ 70,922</b>	<b>\$ 153,663</b>	<b>\$ 58,265</b>

The notes to the Financial Statements are an integral part of this statement.

	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	Advertising and Promotions Collections Fund	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 175,558	\$ 16,416	\$ 25,660	\$ 2,346	\$ 16,268	\$ 720,084	2,334,545
<b>Total Assets</b>	<b>175,558</b>	<b>16,416</b>	<b>25,660</b>	<b>2,346</b>	<b>16,268</b>	<b>720,084</b>	<b>2,334,545</b>
<b>LIABILITIES</b>							
Unearned revenue	-	-	-	-	-	-	31,072
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,072</b>
<b>FUND BALANCES</b>							
Restricted							
General Government						720,084	720,084
Public Works							214,676
Public Safety							1,127,122
Other Special Revenue Funds - Parks	175,558	16,416	25,660	2,346	16,268		241,591
<b>Unassigned</b>							
<b>Total Fund Balances</b>	<b>175,558</b>	<b>16,416</b>	<b>25,660</b>	<b>2,346</b>	<b>16,268</b>	<b>720,084</b>	<b>2,303,473</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 175,558</b>	<b>\$ 16,416</b>	<b>\$ 25,660</b>	<b>\$ 2,346</b>	<b>\$ 16,268</b>	<b>\$ 720,084</b>	<b>2,334,545</b>

The notes to the Financial Statements are an integral part of this statement.

City of Bryant, Arkansas  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2019

	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
<b>REVENUES</b>					
Taxes	\$ 4,721,504			\$ 590,188	\$ 24,456
Intergovernmental			38,336		
Investment earnings and interest	560	15	43	67	26
Miscellaneous		20,170			
<b>Total Revenues</b>	<b>4,722,064</b>	<b>20,185</b>	<b>38,379</b>	<b>590,255</b>	<b>24,482</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety		5,012	49,067		12,675
Capital Outlay:					
<b>Total Expenditures</b>		<b>5,012</b>	<b>49,067</b>		<b>12,675</b>
Excess(deficiency) of revenues over expenditures	4,722,064	15,173	(10,688)	590,255	11,808
<b>OTHER FINANCING SOURCES</b>					
Transfers Out	(4,721,049)			(556,500)	
Total other financing sources and (uses)	(4,721,049)			(556,500)	
Net change in fund balances	1,015	15,173	(10,688)	33,755	11,808
Fund balance - beginning	1,055,038	(6,937)	81,608	119,909	46,458
Fund balance - ending	\$ 1,056,053	\$ 8,236	\$ 70,920	\$ 153,664	\$ 58,266

The notes to the Financial Statements are an integral part of this statement.

City of Bryant, Arkansas  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2019

	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	Advertising and Promotions Collections Fund	Totals
<b>REVENUES</b>							
Taxes	\$ 1,770,564					\$555,004	\$7,661,717
Intergovernmental							38,336
Fines and forfeitures		16,112	11,454		8,270		35,835
Investment earnings	60	10	16	1	10	6,569	7,377
Miscellaneous						658	20,828
<b>Total Revenues</b>	<b>1,770,625</b>	<b>16,121</b>	<b>11,470</b>	<b>1</b>	<b>8,280</b>	<b>562,231</b>	<b>7,764,093</b>
<b>EXPENDITURES</b>							
Current:							
Capital Outlay:							
Public safety		13,042	13,951		6,420	185,699	285,865
<b>Total Expenditures</b>	<b>-</b>	<b>13,042</b>	<b>13,951</b>	<b>-</b>	<b>6,420</b>	<b>185,699</b>	<b>285,865</b>
Excess(deficiency) of revenues over expenditures	<b>1,770,625</b>	<b>3,079</b>	<b>(2,481)</b>	<b>1</b>	<b>1,860</b>	<b>376,532</b>	<b>7,478,228</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers out	(1,669,500)						(6,947,049)
<b>Total other financing sources and (uses)</b>	<b>(1,669,500)</b>						<b>(6,947,049)</b>
Net change in fund balances	101,125	3,079	(2,481)	1	1,860	376,532	531,179
Fund balance - beginning	74,434	13,336	28,142	2,345	14,408	343,552	1,772,293
Fund balance - ending	\$ 175,559	\$ 16,415	\$ 25,661	\$ 2,346	\$ 16,268	\$ 720,084	\$ 2,303,472

The notes to the Financial Statements are an integral part of this statement.



**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

City of Bryant, Arkansas  
 Required Supplemental Information for APERS, LOPFI and OPEB  
 Last Five Fiscal Years  
 (amounts expressed in thousands)

Arkansas Public Retirement System (APERS) Reports ended June 30 of the year noted											
Fiscal Year	Actuarial Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency or excess	Covered Payroll	Actual Contribution as a % of		City's Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	City Proportionate Share of the Net Pension Liability as a % of Its Covered Payroll		
					Payroll	Liability					
2016	468,816	468,816	0	3,192,086	15%		4,267,372	0.18%			
2017	525,466	525,466	0	3,584,771	15%		5,195,937	0.20%			
2018	572,463	572,463	0	3,905,607	15%		4,570,741	0.21%			
2019	645,949	645,949	0	4,245,515	15%		5,315,583	0.22%			
Local Fire and Police Retirement System (LOPFI) Reports ended December 31 of the year noted											
Fiscal Year	Actuarial Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency or excess	Covered Payroll	Actual Contribution as a % of		City's Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	City Proportionate Share of the Net Pension Liability as a % of Its Covered Payroll		
					Payroll	Liability					
2017	923,735	923,735	0	4,531,404	20%		9,175,941	1%			
2018	984,111	984,111	0	4,678,258	21%		11,373,081	1%			
2019	1,023,574	1,023,574	0	4,751,146	22%		9,478,015	1%			
Other Post Employment Benefits (OPEB) Reports ended December 31 of the year noted											
Fiscal Year	Service Cost	Interest	Benefit Payments	Covered Payroll	Assumption Changes	in total OPEB Liability		Liability as a % of Covered Payroll	Total OPEB Liability		
2018	67,863	34,893	(21,485)	8,583,864	(151,352)		(70,081)	12%	1,034,122		
2019	62,065	39,738	(8,952)	8,996,661	49,457		142,308	13%	1,176,430		

NOTE: This schedule is presented to fulfill the requirement to show ten years of trend data. However, only the years shown are available. Covered Payroll includes only salaries not taxes or benefits. LOPFI covers payroll for Fire and Police; APERS covered payroll covers all depts but Fire and Police and OPEB covers all depts together. Plan Fiduciary Net Position as a % of the total Pension Liability is being investigated for inclusion for the years shown in a later report.

**STATISTICAL SECTION**

City of Bryant, Arkansas  
 Net Position by Component  
 Last Nine Fiscal Years

(regulatory basis of accounting for years 2011 - 2014, modified cash afterwards)  
 (amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>									
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	\$ 14,298,455
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				
<b>Total Governmental activities net position</b>	<b>\$ 11,070,787</b>	<b>\$ 12,121,686</b>	<b>\$ 9,573,893</b>	<b>\$ 9,982,900</b>	<b>\$ 9,103,777</b>	<b>\$ 9,546,009</b>	<b>\$ 11,267,743</b>	<b>\$ 6,913,034</b>	<b>\$ 14,298,455</b>
<b>Business-Type Activities</b>									
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	\$ 25,226,604
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			
<b>Total business-type activities net position</b>	<b>\$ 17,502,527</b>	<b>\$ 19,043,017</b>	<b>\$ 19,939,150</b>	<b>\$ 20,364,924</b>	<b>\$ 20,627,068</b>	<b>\$ 22,136,609</b>	<b>\$ 22,639,909</b>	<b>\$ 24,615,482</b>	<b>\$ 25,226,604</b>
<b>Primary Government</b>									
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	\$ 25,226,604
Restricted	4,010,872	4,461,133	2,860,995	1,932,941	394,193	425,216	11,267,743	6,913,034	14,298,455
Unassigned	8,353,792	9,629,197	8,923,341	11,133,807	8,916,188	7,807,693			
<b>Total primary government net position</b>	<b>\$ 28,573,314</b>	<b>\$ 31,164,703</b>	<b>\$ 29,513,043</b>	<b>\$ 30,347,824</b>	<b>\$ 29,730,845</b>	<b>\$ 31,682,618</b>	<b>\$ 33,907,652</b>	<b>\$ 31,528,516</b>	<b>\$ 39,525,059</b>

\* When changing from the Regulatory Basis of Accounting to the Modified Cash Basis of Accounting it was determined the Committed Fund Balances were Restricted.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses -</b>									
<b>Governmental Activities</b>									
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	\$3,895,279
Community development	122,944	11,390	113		194,017	154,527	227,075	254,938	197,022
Parks and recreation	2,119,594	1,961,947	2,445,539	2,257,338	2,122,505	2,111,399	2,613,245	2,702,383	2,807,523
Public safety	6,983,342	8,613,803	8,204,930	7,809,070	7,778,346	9,755,369	9,555,592	8,834,113	4,381,508
Public works	1,816,600	2,804,193	3,820,650	2,934,301	2,285,482	3,127,788	3,282,145	1,975,264	2,439,318
Interest and long term debt	3,037,948	2,900,266	3,335,829	3,181,314	783,088	987,291		38,429	1,089,505
<b>Total governmental activities expenses</b>	<b>16,669,300</b>	<b>17,815,570</b>	<b>19,740,721</b>	<b>17,757,705</b>	<b>15,029,503</b>	<b>17,973,319</b>	<b>17,484,578</b>	<b>15,601,486</b>	<b>14,810,155</b>
<b>Business-Type Activities</b>									
Water * Operating	2,239,842	2,416,519	2,674,572	2,832,422	2,956,826	2,942,339	2,907,065	6,382,112	7,667,125
Wastewater * Nonoperating	1,756,491	2,052,688	2,372,653	2,303,345	2,413,173	2,553,308	3,697,379	609,274	438,883
Total business-type activities expenses	3,996,333	4,469,206	5,047,225	5,135,767	5,369,999	5,495,647	6,604,444	6,991,386	8,106,008
<b>Total primary government expenses</b>	<b>20,665,633</b>	<b>22,284,777</b>	<b>24,787,946</b>	<b>22,893,472</b>	<b>20,399,502</b>	<b>23,468,966</b>	<b>24,289,022</b>	<b>22,592,872</b>	<b>22,916,163</b>
<b>Program Revenues</b>									
<b>Governmental Activities</b>									
Capital grants/contributions					46,239	70,690	39,598	250,000	0
Operating grants/contributions					46,239	70,690	39,598	276,300	34,409
<b>Total governmental activities program revenues</b>					<b>92,478</b>	<b>141,380</b>	<b>79,196</b>	<b>276,300</b>	<b>34,409</b>
<b>Business-Type Activities</b>									
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	8,206,846
Capital grants/contributions	6,438,574	6,391,135	6,462,375	6,312,849	7,205,874	7,629,916	8,114,604	8,962,404	8,206,846
<b>Total business-type activities program revenues</b>	<b>12,877,148</b>	<b>12,782,270</b>	<b>12,924,750</b>	<b>12,625,698</b>	<b>14,411,748</b>	<b>15,259,832</b>	<b>16,229,208</b>	<b>17,924,808</b>	<b>16,413,692</b>
<b>Total primary government program revenues</b>	<b>12,877,148</b>	<b>12,782,270</b>	<b>12,924,750</b>	<b>12,625,698</b>	<b>14,411,748</b>	<b>15,259,832</b>	<b>16,229,208</b>	<b>17,924,808</b>	<b>16,413,692</b>
<b>Net (Expense) Revenue</b>	<b>(7,788,485)</b>	<b>(9,503,507)</b>	<b>(11,863,171)</b>	<b>(10,267,773)</b>	<b>(5,977,997)</b>	<b>(5,495,647)</b>	<b>(6,684,444)</b>	<b>(4,607,072)</b>	<b>(6,502,467)</b>
<b>Governmental activities</b>									
Business-type activities	(16,669,300)	\$ (17,815,570)	(19,740,721)	(17,757,705)	(14,985,264)	(17,902,629)	(17,444,980)	(15,325,186)	(14,775,746)
<b>Total primary government net expense</b>	<b>(14,227,058)</b>	<b>(15,893,641)</b>	<b>(18,325,572)</b>	<b>(16,580,823)</b>	<b>(13,147,389)</b>	<b>(15,768,360)</b>	<b>(16,134,820)</b>	<b>(13,354,168)</b>	<b>(14,236,025)</b>
<b>General Revenues and Other Changes in Net Position</b>									
<b>Governmental Activities</b>									
Taxes	10,425,873	11,228,489	11,453,097	11,366,176	15,565,629	14,462,597	13,324,849	15,478,227	15,163,978
Note Proceeds	181,500	1,300,000				40,107,315		1,325,949	2,345,059
Investment earnings	32,702	32,767	27,536	18,661	31,151	19,344		2,105,589	1,317,686
Gain (loss) on sale of assets		77,793	91,695					578,545	290,333
Transfers/Note Proceeds	18,000				(522,582)			(499,997)	
Charges for services	5,906,084	6,262,550	5,620,600	6,761,877	4,607,115	4,210,727	6,728,606	4,709,459	3,200,544
<b>Total governmental activities</b>	<b>16,564,139</b>	<b>18,901,599</b>	<b>17,192,928</b>	<b>18,166,714</b>	<b>19,681,313</b>	<b>58,799,983</b>	<b>20,053,455</b>	<b>24,197,779</b>	<b>21,817,613</b>
<b>Business-Type Activities</b>									
Bond fees	(5,333)	(4,638)	(3,722)	(4,265)	(4,052)	(3,868)	(145,136)	(8,223)	(125,662)
Investment income	4,757	6,889	3,559	5,464	2,873	2,237	5,722	12,778	10,284
Other (in 2019 Transfers and Proceeds from Sale of Asset)	729,102	190,293	177,436	120,904	120,904	150,622	176,096		574,643
Interest expense	(421,842)	(573,981)	(696,291)	(496,109)	(768,089)	(773,719)	(843,543)		(387,864)
<b>Total Business-type activities</b>	<b>306,684</b>	<b>(381,437)</b>	<b>(519,018)</b>	<b>(494,910)</b>	<b>(648,358)</b>	<b>(624,728)</b>	<b>(806,861)</b>	<b>4,555</b>	<b>71,401</b>
<b>Total primary government</b>	<b>16,870,823</b>	<b>18,520,162</b>	<b>16,673,910</b>	<b>17,671,804</b>	<b>19,032,955</b>	<b>58,175,255</b>	<b>19,246,594</b>	<b>24,202,334</b>	<b>21,889,014</b>
<b>Change in Net Position</b>									
<b>Governmental Activities</b>									
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	7,041,867
<b>Total primary government</b>	<b>2,748,926</b>	<b>1,540,492</b>	<b>896,131</b>	<b>682,172</b>	<b>1,187,517</b>	<b>1,509,541</b>	<b>503,299</b>	<b>1,975,573</b>	<b>611,122</b>
<b>Business-Type Activities</b>	<b>\$ 2,643,765</b>	<b>\$ 2,626,521</b>	<b>\$ (1,651,662)</b>	<b>\$ 1,091,181</b>	<b>\$ 5,885,566</b>	<b>\$ 42,406,895</b>	<b>\$ 3,111,774</b>	<b>\$ 10,848,167</b>	<b>\$ 7,652,989</b>

\* in 2018 the City stopped breaking out Water and Wastewater separately and instead reflected it as Operating and non operating

City of Bryant, Arkansas  
Fund Balances, Governmental Funds  
Last Nine  
Fiscal Years

(regulatory basis of accounting for years 2011 - 2014, modified cash for 2015 forward)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>									
Restricted	\$ 5,455	\$ 3,838	\$ 4,166	\$ 4,122	\$ 4,558,699	\$ 6,245,016	\$ 7,250,323	\$ 9,933,122	\$ 8,342,010
Committed	3,968,396	4,878,543	2,984,820	3,422,733	433,161 *				
Unassigned	3,973,851	4,882,381	2,988,986	3,426,855	4,991,860	6,245,016	7,250,323	9,933,122	8,342,010
<b>Total General Fund</b>									
*In implementing GASB 68 for 2015 significant Fund Balances were Restricted for LOPFI and APERS.									
<b>All Other Governmental Funds</b>									
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	241,591
Public Safety	609,615	683,898	572,948	538,786	1,228,440	899,897	1,235,948	886,818	1,847,206
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	10,597,445
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					
<b>Total all other governmental funds</b>	<b>7,096,635</b>	<b>7,239,304</b>	<b>6,584,906</b>	<b>6,556,047</b>	<b>4,111,916</b>	<b>3,300,993</b>	<b>4,017,422</b>	<b>14,079,630</b>	<b>12,686,242</b>
<b>Total governmental funds</b>	<b>\$ 11,070,486</b>	<b>\$ 12,121,685</b>	<b>\$ 9,573,892</b>	<b>\$ 9,982,902</b>	<b>\$ 9,103,776</b>	<b>\$ 9,546,009</b>	<b>\$ 11,267,745</b>	<b>\$ 24,012,752</b>	<b>\$ 21,028,252</b>

City of Bryant, Arkansas  
 Changes in Fund Balance, Governmental Funds  
 Last Nine Fiscal Years

(regulatory basis of accounting for years 2011 - 2014, modified cash for 2015 forward)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>									
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	\$ 15,148,288
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	1,019,657
Intergovernmental (State and Federal Aid)	1,855,530	1,473,340	1,227,088	1,708,038	570,654	70,690	536,179	1,986,396	743,693
Fines and penalties	615,670	743,436	556,624	694,009	643,515	584,628	590,931	648,779	724,048
Investment earnings	32,767	32,767	28,157	20,218	31,151	4,525	5,065	319,059	242,315
Other Revenue	488,994	530,873	439,254	718,360	3,963,600	2,500,094	1,917,635	2,260,352	2,065,270
<b>Total Revenues</b>	<b>16,385,641</b>	<b>17,123,806</b>	<b>17,101,233</b>	<b>18,166,714</b>	<b>20,250,134</b>	<b>16,820,411</b>	<b>17,811,238</b>	<b>20,344,857</b>	<b>19,943,271</b>
<b>Expenditures</b>									
General government	2,581,874	1,723,971	1,933,660	1,575,682	1,866,065	946,275	982,104	946,291	1,127,706
Community development	122,944	11,390	113	194,017	194,017	154,527	227,075	254,938	197,022
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	2,602,342
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	9,288,545
Public works	1,816,600	2,604,193	3,820,650	2,934,301	2,285,482	3,543,770	1,856,144	1,742,484	1,898,322
Debt service									0
Principal interest and other charges	1,973,542	1,799,305	2,260,490	2,159,987	783,088	14,008	517,447	482,843	600,354
Capital outlay	1,064,406	1,100,961	1,075,339	1,021,327				38,429	319,244
<b>Total Expenditures</b>	<b>16,672,302</b>	<b>17,815,570</b>	<b>19,740,721</b>	<b>17,757,705</b>	<b>15,029,503</b>	<b>16,966,046</b>	<b>16,583,537</b>	<b>16,436,470</b>	<b>6,583,545</b>
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)	22,329,760
<b>Other Financing Sources (Uses)</b>									
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	12,142,049
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)	(13,287,945)
<b>Total Financing sources (uses)</b>	<b>181,500</b>	<b>1,777,793</b>	<b>91,695</b>	<b>0</b>	<b>(522,583)</b>	<b>587,866</b>	<b>(641,123)</b>	<b>468,614</b>	<b>(1,145,896)</b>
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)	(3,532,385)

City of Bryant, Arkansas  
 Outstanding Debt Obligations by Type  
 Last Nine 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	4,385	5,073	6,816	486	54,423		
2019	34,130	1,031	4,385	5,072	6,815	323	51,756		

\*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 49.

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



City of Bryant, Arkansas  
 Direct and Overlapping Debt  
 December 31, 2019  
 (amounts expressed in thousands)

Taxing Jurisdiction	Debt Outstanding	Percent Applicable to the City of Bryant (1)	Amount Applicable to the City of Bryant
<b>Direct</b>			
City of Bryant	\$ 51,757	100%	\$ 51,757
<b>Overlapping</b>			
Saline County	\$ 43,262	15%	\$ 6,477
Bryant School District	120,330	82%	\$ 98,076
<b>Total direct and overlapping debt</b>	<b>\$ 215,349</b>		<b>\$ 156,309</b>

Source: Saline County

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

City of Bryant, Arkansas  
 Legal Debt Margin Information  
 (amounts expressed in thousands)

2019

Legal Debt Margin Calculation for Taxable Year 2019	
Assessed value	\$286,754
Debt Limit (20% of Total Assessed Value)	57,351
Debt applicable to the limit	\$0
<hr/>	
General Obligation Legal Debt Margin	57,351
Debt Limit (5% of Total Assessed Value)	14,338
Debt applicable to the limit	\$1,354
<hr/>	

Note: Computation of the city's legal debt margin is set forth in Amendments to the constitution of the state of Arkansas.

Amendment 62 General Obligation debt is not to exceed 20% of assessed value. The city of Bryant has no General Obligation Debt beyond short term financing. All of the bonds are supported by specific revenue streams. One by Sales and Use Tax, one by Franchise Fee payments and Three by utility rates.

Amendment 78 Short-term financing debt is not to exceed 5% of assessed value.

# Full Time Equivalent Budgeted Employees by Function/Program for last six years

Function/Program	2014	2015	2016	2017	2018	2019
General government	1	1	1	1	1	1
Staff attorney	1	1	1	1	1	1
Elected attorney	0	(A) 1	1	1	1	1
Mayor 's office	3	3	3	(B) 4	4	3
Human resources	3	3	3	3	3	3
Finance	4	4	4	4	4	4
City clerk	1	1	1	1	1	1
Office of Technology	1	1	1	1	1	1
Engineering	0	0	0	0	0	0
Planning	2	2	2	2	2	2
Code	4	4	4	(C.) 5	5	5.5
Animal Control	4	4	4	4	4	4
Court (includes the Judge who is paid by the County)	8	8	8	8	8	8
Parks	6	6	6	4	4	4
Admin	10	10	10	(C.) 13	14	14
Recreation	8	8	8	10	(D) 3	3
Uniform	48	48	48	48	48	48
Clerical	1	1	1	1	1	1
Uniform (Patrol) (SAT)	21	21	21	(C.) 23	26	26
Uniform (SRO)	7	7	7	7	7	8
Uniform (K9)	2	2	2	2	2	2
CID	4	4	4	4	4	4
Communication (Dispatch)	10	10	10	10	10.5	10.5
Admin/Warrants/Training/PIO	10	10	10	10	(D) 5	6
Admin (includes Customer Service 3 and Pumps&Controls 4)	3	3	3	(C.) 5	13	12
Stormwater (MS4)	3	3	3	3	3	3
Street and drainage	15	15	15	14	14	14
Water	8	8	8	10	5	5
Wastewater	14	14	14	13	13	19
<b>Total</b>	<b>201</b>	<b>202</b>	<b>202</b>	<b>211</b>	<b>206.5</b>	<b>213</b>

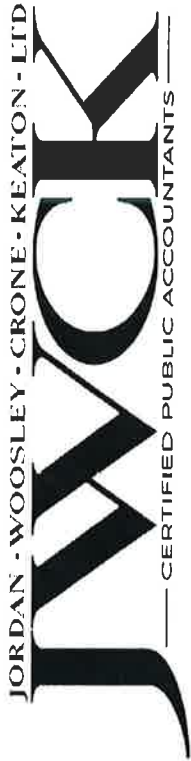
**SOURCE: HR**

(A) In 2015 for the first time an election was held for the City Attorney position.

(B) In 2017 a temporary multidepartmental position was added in the Mayor's office to address one time software training items.

(C.) Also in 2017 a new code officer, two new police officers, three parks positions, and two public works positions were added. These positions had been requested for some time and when funding became available were added.

(D) In 2018 a review was made of the calculation of the Part Time Positions in Parks and new numbers were determined. Staff hopes to continue to refine this review during 2018. Also more careful review was given to the presentation of the Police sub departments.



**Partners**  
Gary D. Welch, CPA, CVA  
Jimmy M. Pate, CPA, CBA, CVA, CRGM  
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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryant, Arkansas as of and for the year ended December 31, 2019, 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 September 25, 2020.

**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.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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.

*JuCK, Ltd*

Certified Public Accountants  
Hot Springs, Arkansas

September 25, 2020



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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH CERTAIN STATE ACTS

Mayor and City Council  
City of Bryant, Arkansas

We have examined management's assertions that the City of Bryant, Arkansas, complied with the requirements of Arkansas Code Annotation § 14-58-101 and the following Arkansas statutes during the year ended December 31, 2019:

1. Arkansas Municipal Accounting Law, § 14-59-101 et seq.,
2. Arkansas District Courts Accounting Law, § 16-10-210 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, §§ 19-8-101 – 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.

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.

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In our opinion, the City of Bryant, Arkansas, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2019.

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

*JWCK, Ltd*

Certified Public Accountants  
September 25, 2020