

City of Beebe, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BEEBE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Beebe, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated November 3, 2022. These procedures were not performed for the Water and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relate to the following officials who held office during 2021:

Mayor: Mike Robertson
Clerk/Treasurer: Carol Westergren
District Court Clerk: Jennifer Latture
Police Chief: Wayne Ballew

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

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
November 3, 2022
LOM100821

CITY OF BEEBE, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021
(UNAUDITED)

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,512,135	\$ 198,352	\$ 1,557,255
Accounts receivable	369,942	5,575	21,937
Interfund receivables	190		3,689
TOTAL ASSETS	<u>\$ 2,882,267</u>	<u>\$ 203,927</u>	<u>\$ 1,582,881</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 135,362	\$ 15,767	\$ 19,401
Interfund payables	3,689		190
Settlements pending			165,436
Total Liabilities	<u>139,051</u>	<u>15,767</u>	<u>185,027</u>
Fund Balances:			
Restricted			1,397,854
Assigned	307,567	188,160	
Unassigned	2,435,649		
Total Fund Balances	<u>2,743,216</u>	<u>188,160</u>	<u>1,397,854</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,882,267</u>	<u>\$ 203,927</u>	<u>\$ 1,582,881</u>

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

CITY OF BEEBE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 122,269	\$ 625,495	\$ 51,561
Federal aid	12,916		833,216
Property taxes	169,033	55,543	
Franchise fees	380,122		
Sales taxes	3,446,489		
Fines, forfeitures, and costs	434,315		35,428
Interest	2,726	263	1,569
Local permits and fees	104,622		30,092
Sanitation fees	994,078		
Contributions from county			216,883
Net increase/(decrease) in fair value of investments			12
Other	245,181	1,061	34,774
TOTAL REVENUES	5,911,751	682,362	1,203,535
EXPENDITURES			
Current:			
General government	934,098		166,866
Law enforcement	2,515,255		71,946
Highways and streets	100,000	949,803	16,757
Public safety	488,207		27,857
Sanitation	1,143,489		
Recreation and culture	416,771		
Cemetery	30,617		
Wastewater			27,238
TOTAL EXPENDITURES	5,628,437	949,803	310,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	283,314	(267,441)	892,871
OTHER FINANCING SOURCES (USES)			
Transfers in	279		
Transfers out			(279)
Transfer to Arkansas Local Police and Fire Retirement System			(462,692)
TOTAL OTHER FINANCING SOURCES (USES)	279		(462,971)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	283,593	(267,441)	429,900
FUND BALANCES - JANUARY 1	2,459,623	455,601	967,954
FUND BALANCES - DECEMBER 31	\$ 2,743,216	\$ 188,160	\$ 1,397,854

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

CITY OF BEEBE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 140,632	\$ 122,269	\$ (18,363)	\$ 625,495	\$ 625,495	\$ 0
Federal aid		12,916	12,916			
Property taxes	164,037	169,033	4,996	54,674	55,543	869
Franchise fees	296,193	380,122	83,929			
Sales taxes	3,396,245	3,446,489	50,244			
Fines, forfeitures, and costs	450,530	434,315	(16,215)			
Interest	2,474	2,726	252	263	263	
Local permits and fees	102,597	104,622	2,025			
Sanitation fees	994,078	994,078	0			
Other	923,193	245,181	(678,012)	6,636	1,061	(5,575)
TOTAL REVENUES	6,469,979	5,911,751	(558,228)	687,068	682,362	(4,706)
EXPENDITURES						
Current:						
General government	1,246,052	934,098	311,954			
Law enforcement	2,564,959	2,515,255	49,704			
Highways and streets		100,000	(100,000)	1,068,996	949,803	119,193
Public safety	506,377	488,207	18,170			
Sanitation	993,237	1,143,489	(150,252)			
Recreation and culture	390,890	416,771	(25,881)			
Cemetery	30,617	30,617	0			
TOTAL EXPENDITURES	5,732,132	5,628,437	103,695	1,068,996	949,803	119,193
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	737,847	283,314	(454,533)	(381,928)	(267,441)	114,487
OTHER FINANCING SOURCES (USES)						
Transfers in	50	279	229	100,000		(100,000)
Transfers out	(100,000)		100,000			
TOTAL OTHER FINANCING SOURCES (USES)	(99,950)	279	100,229	100,000		(100,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	637,897	283,593	(354,304)	(281,928)	(267,441)	14,487
FUND BALANCES - JANUARY 1	1,218,339	2,459,623	1,241,284	462,154	455,601	(6,553)
FUND BALANCES - DECEMBER 31	\$ 1,856,236	\$ 2,743,216	\$ 886,980	\$ 180,226	\$ 188,160	\$ 7,934

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

CITY OF BEEBE, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS						
	Radio Equipment and Repair	Intoximeter	Fire Protection Plan	District Court Automation	Asset Forfeiture - Federal	Asset Forfeiture - State	County Fire Tax
ASSETS							
Cash and cash equivalents	\$ 3,158	\$ 1,822	\$ 117,424	\$ 26,459	\$ 2,687	\$ 22,365	\$ 358,551
Accounts receivable				1,362			20,340
Interfund receivables							
TOTAL ASSETS	<u>\$ 3,158</u>	<u>\$ 1,822</u>	<u>\$ 117,424</u>	<u>\$ 27,821</u>	<u>\$ 2,687</u>	<u>\$ 22,365</u>	<u>\$ 378,891</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable				\$ 400			\$ 912
Interfund payables							
Settlements pending							
Total Liabilities				<u>400</u>			<u>912</u>
Fund Balances:							
Restricted	<u>\$ 3,158</u>	<u>\$ 1,822</u>	<u>\$ 117,424</u>	<u>27,421</u>	<u>\$ 2,687</u>	<u>\$ 22,365</u>	<u>377,979</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,158</u>	<u>\$ 1,822</u>	<u>\$ 117,424</u>	<u>\$ 27,821</u>	<u>\$ 2,687</u>	<u>\$ 22,365</u>	<u>\$ 378,891</u>

CITY OF BEEBE, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS			TRUST FUND	CUSTODIAL FUND	
	Beebe Animal Control	Jail Fine	American Rescue Plan Act	Firemen's Pension and Relief	District Court	Totals
ASSETS						
Cash and cash equivalents	\$ 17,547	\$ 204,380	\$ 636,945	\$ 481	\$ 165,436	\$ 1,557,255
Accounts receivable	235					21,937
Interfund receivables			3,689			3,689
TOTAL ASSETS	<u>\$ 17,782</u>	<u>\$ 204,380</u>	<u>\$ 640,634</u>	<u>\$ 481</u>	<u>\$ 165,436</u>	<u>\$ 1,582,881</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			\$ 18,089			\$ 19,401
Interfund payables			190			190
Settlements pending					\$ 165,436	165,436
Total Liabilities			<u>18,279</u>		<u>165,436</u>	<u>185,027</u>
Fund Balances:						
Restricted	<u>\$ 17,782</u>	<u>\$ 204,380</u>	<u>622,355</u>	<u>\$ 481</u>		<u>1,397,854</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,782</u>	<u>\$ 204,380</u>	<u>\$ 640,634</u>	<u>\$ 481</u>	<u>\$ 165,436</u>	<u>\$ 1,582,881</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Radio Equipment and Repair	Intoximeter	Fire Protection Plan	District Court Automation	Asset Forfeiture - Federal	Asset Forfeiture - State	County Fire Tax	Beebe Animal Control
REVENUES								
State aid			\$ 42,525					
Federal aid								
Fines, forfeitures, and costs	\$ 707	\$ 365		\$ 21,003		\$ 876		
Interest			1					
Local permits and fees							\$ 30,092	
Contributions from county							216,883	
Net increase/(decrease) in fair value of investments								
Other								\$ 32,972
TOTAL REVENUES	707	365	42,526	21,003		876	246,975	32,972
EXPENDITURES								
Current:								
General government								
Law enforcement				22,270				28,894
Highways and streets								
Public safety			9,655				5,479	
Wastewater								
TOTAL EXPENDITURES			9,655	22,270			5,479	28,894
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	707	365	32,871	(1,267)		876	241,496	4,078
OTHER FINANCING SOURCES (USES)								
Transfers out								
Transfer to Arkansas Local Police and Fire Retirement System								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	707	365	32,871	(1,267)		876	241,496	4,078
FUND BALANCES - JANUARY 1	2,451	1,457	84,553	28,688	\$ 2,687	21,489	136,483	13,704
FUND BALANCES - DECEMBER 31	\$ 3,158	\$ 1,822	\$ 117,424	\$ 27,421	\$ 2,687	\$ 22,365	\$ 377,979	\$ 17,782

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

Schedule 2

	SPECIAL REVENUE FUNDS		TRUST FUND	
	Jail Fine	American Rescue Plan Act	Firemen's Pension and Relief	Totals
REVENUES				
State aid			\$ 9,036	\$ 51,561
Federal aid		\$ 833,216		833,216
Fines, forfeitures, and costs	\$ 12,477			35,428
Interest		279	1,289	1,569
Local permits and fees				30,092
Contributions from county				216,883
Net increase/(decrease) in fair value of investments			12	12
Other			1,802	34,774
TOTAL REVENUES	12,477	833,495	12,139	1,203,535
EXPENDITURES				
Current:				
General government		166,866		166,866
Law enforcement	20,782			71,946
Highways and streets		16,757		16,757
Public safety			12,723	27,857
Wastewater		27,238		27,238
TOTAL EXPENDITURES	20,782	210,861	12,723	310,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,305)	622,634	(584)	892,871
OTHER FINANCING SOURCES (USES)				
Transfers out		(279)		(279)
Transfer to Arkansas Local Police and Fire Retirement System			(462,692)	(462,692)
TOTAL OTHER FINANCING SOURCES (USES)		(279)	(462,692)	(462,971)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,305)	622,355	(463,276)	429,900
FUND BALANCES - JANUARY 1	212,685		463,757	967,954
FUND BALANCES - DECEMBER 31	\$ 204,380	\$ 622,355	\$ 481	\$ 1,397,854

CITY OF BEEBE, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Radio Equipment and Repair	Ark. Code Ann. § 14-52-202 and Beebe Ordinance no. 97-13 (September 11, 1997) established fund to receive 25% of fees for serving notices to vacate, warrants, and bail bonds to be used for law enforcement purposes.
Intoximeter	Ark. Code Ann. § 16-10-308 authorized a portion of district court costs to be used to purchase and maintain alcohol testing devices.
Fire Protection Plan	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
Asset Forfeiture - Federal	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Asset Forfeiture - State	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
County Fire Tax	Established to receive the City's portion (5%) of a one percent county sales and use tax for all volunteer fire departments, and the county-wide quarter-percent sales and use tax for fire protection services.
Beebe Animal Control	Established to account for donations received from the community to assist the City with expenses associated with the operation of the animal shelter.
Jail Fine	Ark. Code Ann. § 16-17-129 established fund to receive costs collected by the district court to defray the cost of incarcerating city prisoners.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Firemen's Pension and Relief	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

1. A. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

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

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

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

1. (Continued)

B. Basis of Accounting - Regulatory

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

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

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

Fund Balance Classifications

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

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

1. (Continued)

D. Property Taxes

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

E. Budget Law

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

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

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

Basis of Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year end.

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

2. Details of Fund Balance Classifications

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 622,355
Law enforcement			279,615
Public safety			495,403
Pension benefits			481
Total Restricted			<u>1,397,854</u>
Assigned to:			
General government	\$ 307,567		
Highways and streets		\$ 188,160	
Total Assigned	<u>307,567</u>	<u>188,160</u>	
Unassigned	<u>2,435,649</u>		
Totals	<u>\$ 2,743,216</u>	<u>\$ 188,160</u>	<u>\$ 1,397,854</u>

3. Commitments

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

	December 31, 2021
Long-term liabilities	<u>\$ 152,855</u>

Long-term liabilities

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

	December 31, 2021
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	<u>\$ 152,855</u>

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

4. Interfund Transfers

The American Rescue Plan Act (ARPA) fund transferred \$279 to the General Fund for interest earned on the account.

5. Subsequent Events

On June 7, 2022, the City purchased a 2022 Dodge brush truck for \$177,500.

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

6. Joint Venture: White County Regional Library System

White County and Bald Knob, Bradford, Beebe, Pangburn, Searcy, Rose Bud, and Judsonia entered into an agreement in 1998, in accordance with Ark. Code Ann. § 13-2-401, to establish the White County Regional Library System. The agreement states that the Regional Library is to be financed from the revenue generated for real and personal property taxes from the County Public Library Fund, state aid, grant money, and any other funds which the County has or may acquire for the System. The City contributed \$44,289 for the expenses of the White County Regional Library System for the year ended December 31, 2021. Separate financial statements of the White County Regional Library System are available at 113 East Pleasure, Searcy, Arkansas 72143.

7. Firemen's Pension and Relief Plan

Plan Description

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

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was \$831 for the year ended December 31, 2021. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. On November 30, 2021, the City agreed to join the Local Police and Fire Retirement System (LOPFI) by transferring \$462,692 into the LOPFI system.

**8. Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

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

On November 30, 2021, administration of the City of Beebe's Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

8. Local Police and Fire Retirement System (LOPFI) (Continued)
(A Defined Benefit Pension Plan)

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$469,430 (includes \$462,692 Fire Pension Plan transferred to LOPFI) and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$17,464 for the year ended December 31, 2021.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2021 (actuarial valuation date and measurement date) was \$128,821.

9. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was \$305,644 for the year ended June 30, 2021.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$768,132.

CITY OF BEEBE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021

10. Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayor Donald Ward \$22,751 for the year ended December 31, 2021.

11. Capital Assets

The Municipality's capital assets records are summarized below :

	December 31, 2021
Land	\$ 759,814
Buildings and Improvements	2,954,730
Equipment	4,083,527
Total	<u>\$ 7,798,071</u>

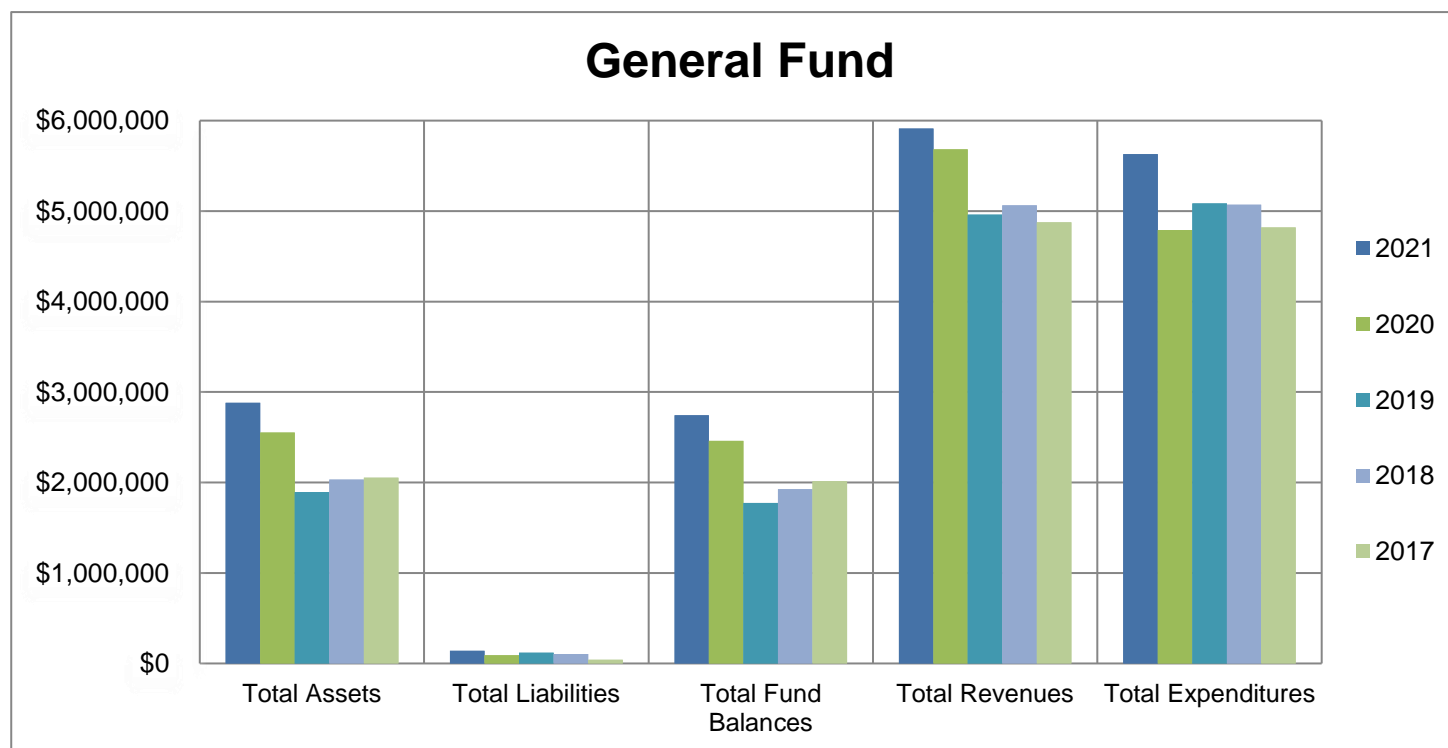
12. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The City was awarded \$1,687,837 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,687,837 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

CITY OF BEEBE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 3-1

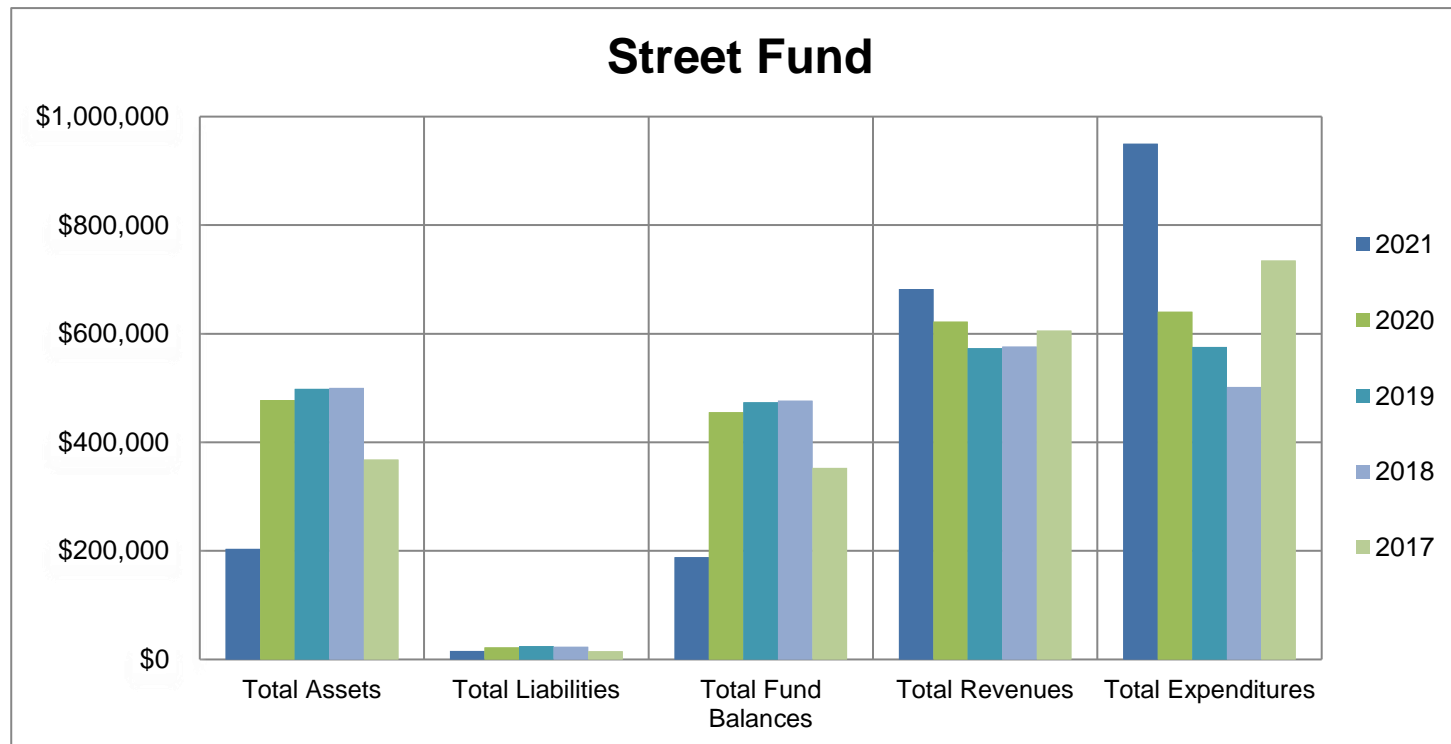
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 2,882,267	\$ 2,550,589	\$ 1,892,772	\$ 2,030,727	\$ 2,054,635
Total Liabilities	139,051	90,966	120,357	103,284	40,566
Total Fund Balances	2,743,216	2,459,623	1,772,415	1,927,443	2,014,069
Total Revenues	5,911,751	5,680,616	4,960,135	5,063,117	4,874,504
Total Expenditures	5,628,437	4,791,876	5,085,163	5,069,743	4,818,176
Total Other Financing Sources/Uses	279	(196,602)	(30,000)	(80,000)	(350,000)



CITY OF BEEBE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 3-2

Street	2021	2020	2019	2018	2017
Total Assets	\$ 203,927	\$ 477,640	\$ 498,598	\$ 500,289	\$ 367,971
Total Liabilities	15,767	22,039	24,702	23,523	15,165
Total Fund Balances	188,160	455,601	473,896	476,766	352,806
Total Revenues	682,362	621,960	573,057	576,205	605,953
Total Expenditures	949,803	640,255	575,927	502,245	735,102
Total Other Financing Sources/Uses				50,000	350,000



CITY OF BEEBE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 3-3

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 1,582,881	\$ 1,144,810	\$ 953,231	\$ 983,662	\$ 598,610
Total Liabilities	185,027	176,856	188,374	281,006	102,843
Total Fund Balances	1,397,854	967,954	764,857	702,656	495,767
Total Revenues	1,203,535	353,850	316,322	406,279	241,395
Total Expenditures	310,664	347,280	284,121	229,390	268,602
Total Other Financing Sources/Uses	(462,971)	196,602	30,000	30,000	

