

CITY OF MARIANNA  
REGULATORY BASIS FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION,  
AND OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

MEYER AND WARD, P.A.  
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CITY OF MARIANNA, ARKANSAS  
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Meyer & Ward CPAs  
P.O. Box 1045  
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INDEPENDENT AUDITOR'S REPORT

City of Marianna, Arkansas Officials and Council Members

**Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Marianna, Arkansas, as of and for the year ended December 31, 2020, as listed in the table of contents, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Arkansas Code 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Marianna, Arkansas, as of December 31, 2020, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory-basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Marianna, Arkansas, as of December 31, 2020, and the regulatory-basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and street fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. 10-4-412 described in Note 1.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the City would have included some funds under accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. However, under the regulatory basis, these funds are not required to be included as part of the reporting entity. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Supplementary and Other Information***

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

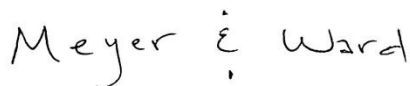
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Meyer & Ward CPAs

Handwritten signature in cursive script that reads "Meyer & Ward".

Wynne, Arkansas  
March 18, 2022

Meyer & Ward CPAs  
P.O. Box 1045  
Wynne AR 72396

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

City of Marianna, Arkansas Officials and Council Members

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory-basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Marianna, Arkansas, as of and for the year ended December 31, 2020 , and the related notes to the financial statements, which collectively comprise the city of Marianna, AR's financial statements, and have issued our report thereon dated March 18, 2022. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency to be a material weakness:

2020-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The City officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the City's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Entity's Response to Findings

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

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

Other Issues

The commentary contained in this section relates to the following officials that held office during 2020:

Mayor: Jimmy Williams  
Clerk/Treasurer: Kimberly Miles  
Police Chief: Daniel Strickland

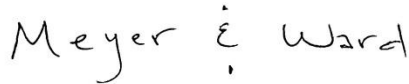
We reviewed the City's compliance with certain Arkansas laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Our audit procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

Purpose of this Report

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

Meyer and Ward CPAs

Handwritten signature in cursive script that reads "Meyer & Ward".

Wynne, Arkansas  
March 18, 2022

MEYER AND WARD CPAA  
CITY OF MARIANNA, ARKANSAS

MANAGEMENT LETTER

City of Marianna, Arkansas Official and Council Members  
Meyer and Ward CPAs

The commentary contained in this letter relates to the following officials who held office during 2020:

Mayor: Jimmy Williams  
City Clerk/Treasurer: Kimberly Miles  
Police Chief: Daniel Strickland  
Fire Chief: Terry Sandefer

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

Other Issues

Deposits and Withdrawals to the Act 833 fund were commonly posted to the general ledger for the incorrect amounts. These errors in posting were immaterial in amount and had no substantial effect on the accuracy of the financial statements.

Meyer and Ward CPAs

Wynne, Arkansas  
March 18, 2022

CITY OF MARIANNA, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2020

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 407,233	\$ 436,156	\$ 443,791
Investments			1,167,016
Accounts receivable	233,538		37,685
Other			28,872
Interfund receivables	<u>82,194</u>		<u>13,987</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 722,965</u></u>	<u><u>\$ 436,156</u></u>	<u><u>\$ 1,691,351</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 40,704		\$ 9,691
Payroll Taxes Payable	57,542		
Sales Tax Payable	6,788		
Interfund payables	13,987	\$ 82,194	
Total Liabilities	<u>119,021</u>	<u>82,194</u>	<u>9,691</u>
Fund Balances:			
Restricted		353,962	1,681,660
Assigned	24,661		
Unassigned	<u>579,283</u>		
Total Fund Balances	<u>603,944</u>	<u>353,962</u>	<u>1,681,660</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 722,965</u></u>	<u><u>\$ 436,156</u></u>	<u><u>\$ 1,691,351</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF MARIANNA, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 61,054	\$ 310,644	\$ 143,430
Federal aid	163,027		289,367
Property taxes	197,793		
Franchise fees	166,640		
Sales taxes	818,720		484,213
Fines, forfeitures, and costs	160,239		13,895
Interest	309	291	36,119
Local permits and fees	11,797		
Sanitation and mosquito control fees	643,186		
Advertising and promotion taxes			39,311
Other	124,695	1,200	50,317
	<u>2,347,460</u>	<u>312,135</u>	<u>1,056,652</u>
TOTAL REVENUES			

The accompanying notes are an integral part of these financial statements

CITY OF MARIANNA, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXPENDITURES			
Current:			
General government	494,174		15,346
Law enforcement	1,053,651		127,576
Highways and streets	282,799	103,815	
Public safety	261,277		131,290
Sanitation	317,923		
Health	13,187		
Recreation and culture	2,668		
Social services	34,649		14,580
Airport			311,378
Total Current	<u>2,460,328</u>	<u>103,815</u>	<u>600,170</u>
Debt Service:			
Bond principal			150,000
Bond interest and other charges			110,300
Lease principal			
Lease interest			
Note principal	35,007		9,843
Note Interest	5,228		
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL EXPENDITURES	<u>2,500,563</u>	<u>103,815</u>	<u>870,313</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(153,103)</u>	<u>208,320</u>	<u>186,339</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	237,007		65,359
Transfers out	(65,359)		(237,007)
Proceeds from bond issue			
Net bond issuance cost			
Net gain/loss on sale of investments			(13,186)
TOTAL OTHER FINANCING SOURCES (USES)	<u>171,648</u>	<u>          </u>	<u>(184,834)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>18,545</u>	<u>208,320</u>	<u>1,505</u>
FUND BALANCES - JANUARY 1	<u>585,399</u>	<u>145,642</u>	<u>1,680,155</u>
FUND BALANCES - DECEMBER 31	<u>\$ 603,944</u>	<u>\$ 353,962</u>	<u>\$ 1,681,660</u>

The accompanying notes are an integral part of these financial statements

CITY OF MARIANNA, 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, 2020

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 58,653	\$ 61,054	\$ 2,401	\$ 297,364	\$ 310,644	13,280
Federal aid		163,027	163,027			
Property taxes	105,750	197,793	92,043			
Franchise fees	176,471	166,640	(9,831)			
Sales taxes	932,265	818,720	(113,545)			
Fines, forfeitures, and costs	183,269	160,239	(23,030)			
Interest	267	309	42	162	291	129
Local permits and fees	7,267	11,797	4,530			
Sanitation and mosquito control fees	651,441	643,186	(8,255)			
Other	538,145	124,695	(413,450)		1,200	1,200
<b>TOTAL REVENUES</b>	<b>2,653,528</b>	<b>2,347,460</b>	<b>(306,068)</b>	<b>297,526</b>	<b>312,135</b>	<b>14,609</b>

The accompanying notes are an integral part of these financial statements

CITY OF MARIANNA, 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, 2020

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES						
Current:						
General government	735,929	494,174	241,755			
Law enforcement	1,201,767	1,053,651	148,116			
Highways and streets		282,799	(282,799)	473,540	103,815	369,725
Public safety	324,012	261,277	62,735			
Sanitation	355,935	317,923	38,012			
Health	13,521	13,187	334			
Recreation and culture	7,367	2,668	4,699			
Social services		34,649	(34,649)			
Total Current	<u>2,638,531</u>	<u>2,460,328</u>	<u>178,203</u>	<u>473,540</u>	<u>103,815</u>	<u>369,725</u>
Debt Service:						
Lease principal						
Lease interest						
Note principal		35,007	(35,007)			
Note Interest		5,228	(5,228)			
TOTAL EXPENDITURES	<u>2,638,531</u>	<u>2,500,563</u>	<u>137,968</u>	<u>473,540</u>	<u>103,815</u>	<u>369,725</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,997</u>	<u>(153,103)</u>	<u>(168,100)</u>	<u>(176,014)</u>	<u>208,320</u>	<u>384,334</u>

The accompanying notes are an integral part of these financial statements

CITY OF MARIANNA, 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, 2020

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)						
Transfers in	122,382	237,007	114,625	176,019		(176,019)
Transfers out		(65,359)	(65,359)			
TOTAL OTHER FINANCING SOURCES (USES)	<u>122,382</u>	<u>171,648</u>	<u>49,266</u>	<u>176,019</u>		<u>(176,019)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>137,379</u>	<u>18,545</u>	<u>(118,834)</u>	<u>5</u>	<u>208,320</u>	<u>208,315</u>
FUND BALANCES - JANUARY 1		<u>585,399</u>	<u>585,399</u>		<u>145,642</u>	<u>145,642</u>
FUND BALANCES - DECEMBER 31	<u>\$ 137,379</u>	<u>\$ 603,944</u>	<u>\$ 466,565</u>	<u>\$ 5</u>	<u>\$ 353,962</u>	<u>\$ 353,957</u>

The accompanying notes are an integral part of these financial statements

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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

**A. Financial Reporting Entity**

The City of Marianna was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. The following funds of the City are not presented in this report: Municipal Waterworks, and district court funds.

**B. Basis of Presentation – Regulatory**

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

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

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

**General Fund** - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: General, Police Equipment, Community House, Housing Commission, Civic Center and Cemetery.

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

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

**Special Revenue Funds** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following Special Revenue Funds are reported with other funds in the aggregate: Advertising and Promotion, Fire Equipment and Training (Act 833), Airport, Housing Commission, Fire Department Savings, Local Police and Fire Retirement (LOPFI), Flag Donations and Christmas Decoration Donations.

**Debt Service Funds** - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Debt Service Fund is reported with other funds in the aggregate.

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

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**C. Basis of Accounting - Regulatory**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues 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. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

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

Cash and Cash Equivalents

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

Investments

Investments are reported at cost.

Fund Balance Classifications

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

**E. Property Taxes**

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

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**F. Budget Law**

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

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

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

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other Special Revenue Funds.

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

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

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

**NOTE 2: Cash and Investments**

The City's policy is for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation Insurance. The city's deposits are categorized to give an indication of the level of risk assumed by the city at December 31, 2020. The categories of risk are described as follows:

Category 1 – Insured or collateralized by the city or by the entity or by the entity of its agent in the entity's name.

Category 2 – Collateralized with securities held by the pledging financial institutions trust department or by its agent in the entity's name.

Category 3 – Uncollateralized

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Note 2: Cash and Investments (Cont'd)**

Financial Institution	Carrying Value	Category 1	Category 2	Category 3
First National Bank Of Eastern Arkansas	\$ 375,942	\$ 250,000	\$ 125,942	\$ -
Farmers and Merchants	826,249	250,000	576,249	-
Regions Bank	78,313	78,313		
Raymond James Fire Pension	6,376	6,376		-
Petty Cash	<u>300</u>	<u></u>	<u></u>	<u>300</u>
Totals	<u>\$ 1,287,180</u>	<u>\$ 584,689</u>	<u>\$ 702,191</u>	<u>\$ 300</u>

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

A. Governmental Fund Types

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

B. Pension Trust Funds

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

<u>Fund Type</u>	<u>December 31, 2020</u>	
	<u>Reported Amount</u>	<u>Fair Value</u>
Trust - Debt Service	\$ 281,247	\$ 281,247
Trust - Firemans Pension	885,769	885,769
	<u>\$ 1,167,016</u>	<u>\$ 1,167,016</u>

These investments are composed of the following:

<u>Fund Type</u>	<u>December 31, 2020</u>	
	<u>Reported Amount</u>	<u>Fair Value</u>
Municipal Funds	<u>1,167,016</u>	<u>1,167,016</u>
Totals	<u>\$ 1,167,016</u>	<u>\$ 1,167,016</u>

The city also bought and sold government securities during the year.

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2020 is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Other Funds in the Aggregate</u>
Property Taxes	87,946	
Sales Taxes	63,535	37,685
Fines and Costs	29,146	
Sanitation Fees	52,911	
Totals	<u>\$ 233,538</u>	<u>\$ 37,685</u>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2020 is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Other Funds in the Aggregate</u>
Vendor Payable	<u>\$ 40,704</u>	<u>\$ 9,691</u>

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2020	
	Interfund Payables	Interfund Receivables
General Fund	\$ 13,987	\$ 82,194
Street Fund	82,194	
Other Funds in Aggregate		13,987
Totals	\$ 96,181	\$ 96,181

**NOTE 8: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2020, the legal debt limit for the bonded debt was \$5,460,354. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2020, the legal debt limit for short-term financing obligations was \$1,483,656. The amount of short-term financing obligations was \$332,819 leaving a legal debt margin of \$1,150,837.

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

Fund balance classifications at December 31, 2020 are composed of the following

Description	General	Street	Other funds in the Aggregate
Restricted for:			
General Government			\$ 132,123
Social Services			17,266
Public Safety			260,829
Debt Service			318,932
Airport			56,559
Police and Fire Retirement			895,951
Highways and Streets		\$ 353,962	
Total Restricted		353,962	1,681,660
Assigned to:			
General Government	\$ 731		
Social Services	23,930		
Total Assigned	24,661	-	-
Unassigned	579,283		
Totals	\$ 603,944	\$ 353,962	\$ 1,681,660

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2020:

	December 31, 2020
<b>Short Term Financing Obligations</b>	
Noninterest-Bearing Note Payable- Arkansas Development Finance Authority (ADFA) dated December 7, 1997. Payable in 30 principal payments due annually in the amount of \$7,875 beginning January 1, 2004. Payments are to be made from the Housing Commission Fund.	\$ 107,862
2019 Freightliner Garbage Truck Note payable to First National Bank of Eastern Arkansas (FNBEA), dated September 20, 2019 due in 60 monthly payments of \$3,352.91 at 3.25 interest beginning November 10, 2019 through October 10, 2024	141,348
Compensated absences	83,609
Total Short-term liabilities	332,819
<b>Long Term Financing Obligations</b>	
2019 Sales and Use Tax Refunding Bonds dated April 1, 2019 due in annual installments of \$5,000 - \$730,000 plus interest through July 1, 2037; interest at 2.0 - 3.375 percent. Payments are to be made from the Debt Service Fund.	3,380,000
Total Long-term liabilities	3,380,000
Total Financial Obligations	\$ 3,712,819

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

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2020	Maturities to December 31, 2020
<u>Bonds</u>					
4/1/2019	7/1/2037	2.0 - 4.625%	\$ 3,535,000	\$ 3,380,000	\$ 155,000
Total Bonds			3,535,000	3,380,000	155,000
<u>Direct Borrowings</u>					
12/7/1997	1/1/2033	-	220,014	107,862	112,152
9/20/2019	10/10/2024	3.25%	200,586	141,348	59,238
Total Direct Borrowings			420,600	249,210	171,390
Total Long-Term Debt			\$ 3,955,600	\$ 3,629,210	\$ 326,390

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 10: Commitments Cont'd**

Changes in Long-Term Debt

	Balance January 1, 2020	Issued	Retired	Balance December 31, 2020
Bonds Payable	\$ 3,530,000		\$ 150,000	\$ 3,380,000
Notes Payable	294,060		44,850	249,210
<b>Total Long-Term Debt</b>	<u>\$ 3,824,060</u>	<u>\$ -</u>	<u>\$ 194,850</u>	<u>\$ 3,629,210</u>

**Note 11: Debt Forecast**

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2020:

For Year Ending December 31,	2019 Bonds	2019 FNBEA NP	ADFA Note	Total
2021	\$ 260,800	\$ 40,235	\$ 7,875	\$ 308,910
2022	261,150	40,235	7,875	309,260
2023	261,350	40,235	7,875	309,460
2024	261,400	29,587	7,875	298,862
2025	261,300		7,875	269,175
2030	1,304,750		39,374	1,344,124
2035	1,299,825		29,113	1,328,938
2040	<u>520,313</u>			<u>520,313</u>
Subtotal	4,430,888	150,292	107,862	4,689,042
Less Interest	<u>(1,050,888)</u>	<u>(8,944)</u>		<u>(1,059,832)</u>
<b>Total Principal Owed</b>	<u>\$ 3,380,000</u>	<u>\$ 141,348</u>	<u>\$ 107,862</u>	<u>\$ 3,629,210</u>

**NOTE 12: Pledged Revenues**

The City pledged future one percent sales and use taxes to repay \$3,535,000 in bonds that were issued in 2019 to refund bonds issued in 2017. Total principal and interest remaining on the bonds are \$3,380,000 and \$1,050,888 respectively, payable through July 1, 2037. For 2020, principal and interest paid were \$150,000 and \$110,300, respectively.

The Debt Service Fund received \$484,213 in sales taxes in 2020. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose. Excess collections of \$218,507 in 2020 were transferred to the General Fund.

**NOTE 13: Related Party Transaction**

The Marianna Municipal Waterworks provides water services to the residents of the City of Marianna and collects fees on the water bills for garbage pickup and mosquito control. These fees are paid to the City General Fund monthly, and the City pays the garbage tax collected on the water bills to the Department of Finance and Administration. Total fees received from the Municipal Waterworks Fund for 2020 was \$643,186.

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 14: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

**Municipal Vehicle Program**

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first \$3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$250,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

CITY OF MARIANNA, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 15: 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. For the year ending December 31, 2020 the actuary determined net pension liability is \$47,387 and the city contributed \$2,200 to the fire pension fund.

**NOTE 16: Local Police and Fire Retirement System (LOPFI)  
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, P. O. Drawer 34164, Little Rock, Arkansas 72203 or by calling 1-501-682-1745.

**NOTE 16: Local Police and Fire Retirement System (LOPFI)  
(A Defined Benefit Pension Plan) Cont'd**

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 city's proportionate share of the collective net pension liability at December 31, 2019 (actuarial valuation date and measurement date) was \$788,664. During the year ended December 31, 2020 the city contributed \$101,462 to the LOPFI fund.

**Note 17: Subsequent Events**

Management has evaluated subsequent events through the date of this report. No events were noted which would require disclosure.

CITY OF MARIANNA, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS							DEBT SERVICE FUND	
	Advertising and Promotion	Fire Equipment and Training (Act 833)	Airport	Local Police and Fire Retirement (LOPFI)	Flag Donations	Christmas Decoration Donations	Housing Commission	Fire Departments Savings Fund	Series 2019 Refunding Bonds
ASSETS									
Cash and cash equivalents	\$ 120,704	\$ 213,514	\$ 20,443	\$ 13,497	\$ 383	\$ 11,036	\$ 10,523	\$ 47,315	
Investments									\$ 281,247
Accounts receivable									37,685
Other			28,872						
Interfund receivables			7,244				6,743		
<b>TOTAL ASSETS</b>	<b>\$ 120,704</b>	<b>\$ 213,514</b>	<b>\$ 56,559</b>	<b>\$ 13,497</b>	<b>\$ 383</b>	<b>\$ 11,036</b>	<b>\$ 17,266</b>	<b>\$ 47,315</b>	<b>\$ 318,932</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				9,691					
Interfund Payables									
Settlements pending									
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,691</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Balances:									
Restricted	120,704	213,514	56,559	3,806	383	11,036	17,266	47,315	318,932
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 120,704</b>	<b>\$ 213,514</b>	<b>\$ 56,559</b>	<b>\$ 13,497</b>	<b>\$ 383</b>	<b>\$ 11,036</b>	<b>\$ 17,266</b>	<b>\$ 47,315</b>	<b>\$ 318,932</b>

CITY OF MARIANNA, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2020

Schedule 1

	<u>TRUST FUND</u>	
	Firemen's Pension	Totals
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,376	\$ 443,791
Investments	885,769	1,167,016
Accounts receivable		37,685
Other		28,872
Interfund receivables		13,987
	<u>\$ 892,145</u>	<u>\$ 1,691,351</u>
<b>TOTAL ASSETS</b>		
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable		\$ 9,691
Interfund Payables		
Settlements pending		-
	<u>0</u>	<u>9,691</u>
<b>Total Liabilities</b>		
Fund Balances:		
Restricted	892,145	1,681,660
	<u>\$ 892,145</u>	<u>\$ 1,691,351</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		

CITY OF MARIANNA, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

	SPECIAL REVENUE FUNDS				
	Advertising and Promotion	Fire Equipment and Training (Act 833)	Airport	Local Police and Fire Retirement (LOPFI)	Flag Donations
REVENUES					
State aid		\$ 68,935	\$ 6,200	\$ 51,512	
Federal aid			289,367		
Sales taxes					
Fines, forfeitures, and costs				13,895	
Interest	\$ 1,930	107			
Advertising and promotion taxes	39,311				
Other			7,895	8,981	
<b>TOTAL REVENUES</b>	<b>41,241</b>	<b>69,042</b>	<b>303,462</b>	<b>74,388</b>	<b>0</b>
EXPENDITURES					
Current:					
General government	6,398				
Law enforcement				127,576	
Public safety		40,163		17,470	
Social services					
Airport			311,378		
Highways and Streets					
Total Current	6,398	40,163	311,378	145,046	0
Debt Service:					
Bond principal					
Bond interest and other charges					
Note principal					
Total Debt Service:					
<b>TOTAL EXPENDITURES</b>	<b>6,398</b>	<b>40,163</b>	<b>311,378</b>	<b>145,046</b>	<b>0</b>

CITY OF MARIANNA, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

	SPECIAL REVENUE FUNDS				
	Advertising and Promotion	Fire Equipment and Training (Act 833)	Airport	Local Police and Fire Retirement (LOPFI)	Flag Donations
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	34,843	28,879	(7,916)	(70,658)	0
OTHER FINANCING SOURCES (USES)					
Transfers in				63,159	
Transfers out	(18,500)				
Proceeds from bond issue					
Payments for refunding bond					
Net bond issuance cost					
Net gain/loss on sale of investments					
TOTAL OTHER FINANCING SOURCES (USES)	(18,500)	0	0	63,159	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	16,343	28,879	(7,916)	(7,499)	0
FUND BALANCES - JANUARY 1	104,361	184,635	64,475	11,305	\$ 383
FUND BALANCES - DECEMBER 31	<u>\$ 120,704</u>	<u>\$ 213,514</u>	<u>\$ 56,559</u>	<u>\$ 3,806</u>	<u>\$ 383</u>

CITY OF MARIANNA, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

	Christmas Decoration Donations	Housing Commission	Fire Departments Savings Fund	DEBT SERVICE FUND Series 2019 Refunding Bonds	TRUST FUND Firemen's Pension	Totals
REVENUES						
State aid					\$ 16,783	\$ 143,430
Federal aid						289,367
Sales taxes				\$ 484,213		484,213
Fines, forfeitures, and costs						13,895
Interest	\$ 5		\$ 26	2,283	31,768	36,119
Advertising and promotion taxes						39,311
Other	15,045	\$ 18,382			14	50,317
<b>TOTAL REVENUES</b>	<b>15,050</b>	<b>18,382</b>	<b>26</b>	<b>486,496</b>	<b>48,565</b>	<b>1,056,652</b>
EXPENDITURES						
Current:						
General government	5,498			\$ 3,450		15,346
Law enforcement						127,576
Public safety					73,657	131,290
Social services		14,580				14,580
Airport						311,378
Highways and Streets						0
Total Current	5,498	14,580	0	3,450	73,657	600,170
Debt Service:						
Bond principal				150,000		150,000
Bond interest and other charges				110,300		110,300
Note principal		9,843				9,843
Total Debt Service:		9,843		260,300		270,143
<b>TOTAL EXPENDITURES</b>	<b>5,498</b>	<b>24,423</b>	<b>0</b>	<b>263,750</b>	<b>73,657</b>	<b>870,313</b>

CITY OF MARIANNA, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

				DEBT SERVICE FUND	TRUST FUND	
	Christmas Decoration Donations	Housing Commission	Fire Departments Savings Fund	Series 2019 Refunding Bonds	Firemen's Pension	Totals
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,552	(6,041)	26	222,746	(25,092)	186,339
OTHER FINANCING SOURCES (USES)						
Transfers in					2,200	65,359
Transfers out				(218,507)		(237,007)
Proceeds from bond issue						0
Payments for refunding bond						0
Net bond issuance cost						0
Net gain/loss on sale of investments					(13,186)	(13,186)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	(218,507)	(10,986)	(184,834)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,552	(6,041)	26	4,239	(36,078)	1,505
FUND BALANCES - JANUARY 1	1,484	23,307	47,289	314,693	928,223	1,680,155
FUND BALANCES - DECEMBER 31	<u>\$ 11,036</u>	<u>\$ 17,266</u>	<u>\$ 47,315</u>	<u>\$ 318,932</u>	<u>\$ 892,145</u>	<u>\$ 1,681,660</u>

CITY OF MARIANNA, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2020

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

Fund Name	Fund Description
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment and initial capital construction or improvements of fire departments.
Airport	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Flag Donations	Fund established to receive donations from the citizens of Marianna for the purchase, repair and installation of flags throughout the City.
Christmas Decoration Donations	Fund established to receive donations from the citizens of Marianna for the purchase, repair and installation of seasonal decorations within the City.

CITY OF MARIANNA, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2020

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

Fund Name	Fund Description
Housing Commission	Fund established to receive rental income collected from the low income housing project as required by the Arkansas Development Finance Authority (ADFA) to be used for the maintenance, upkeep, and mortgage of the property.
Fire Departments Savings Fund	Fund established to provide for savings of Fire Department resources.
Series 2019 Refunding Bonds	Marianna Ordinance no. 3-26-19 March 26, 2019) authorizing the issuance of sales and use tax refunding bonds, Series 2019 for the purpose of refunding sales and use tax bond, Series 2012, and for the payment of principal of and interest on the bonds as they become due at maturity or at redemption prior to maturity and other matters relating thereto.
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.

CITY OF MARIANNA, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2020  
(Unaudited)

Schedule 3

	<u>December 31, 2020</u>
Land	\$ 844,077
Buildings	7,374,106
Equipment	<u>2,070,281</u>
Total	<u><u>\$ 10,288,464</u></u>

CITY OF MARIANNA, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
DECEMBER 31, 2020  
(Unaudited)

Schedule 4

<b><u>General</u></b>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 722,965	\$ 701,865	\$ 433,034	\$ 508,907	\$ 564,725
Total Liabilities	119,021	116,466	16,490	27,371	100,192
Total Fund Balances	603,944	585,399	416,544	481,536	464,533
Total Revenues	2,347,460	2,485,508	2,393,363	2,180,466	2,311,945
Total Expenditures	2,500,563	2,466,748	2,597,237	2,303,845	2,334,228
Total Other Financing Sources/Uses	171,648	150,095	138,882	140,382	112,529
<b><u>Street</u></b>					
Total Assets	\$ 436,156	\$ 231,188	153,989	\$ 112,128	\$ 144,256
Total Liabilities	82,194	85,547	85,547	85,547	109,522
Total Fund Balances	353,962	145,641	68,442	26,581	34,734
Total Revenues	312,135	295,872	292,957	289,001	293,774
Total Expenditures	103,815	218,673	256,096	297,154	300,880
Total Other Financing Sources/Uses	0	0	5,000	0	0
<b><u>Other Funds in the Aggregate</u></b>					
Total Assets	\$ 1,691,351	\$ 1,704,719	1,715,936	\$ 1,750,411	\$ 1,692,775
Total Liabilities	9,691	24,564	10,902	3,072	1,612
Total Fund Balances	1,681,660	1,680,155	1,705,034	1,747,339	1,691,163
Total Revenues	1,056,652	796,909	727,690	1,040,567	1,254,872
Total Expenditures	870,313	4,252,908	565,765	901,202	1,149,372
Total Other Financing Sources/Uses	(184,834)	3,431,120	(204,230)	(83,189)	(55,776)