

City of Paragould, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PARAGOULD, ARKANSAS
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Arkansas

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Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Paragould, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis 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 Paragould, Arkansas as of December 31, 2021; 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.

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 U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis 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 general fund, street fund, and other funds in the aggregate of the City of Paragould, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. 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 and pervasive.

Emphasis of Matter

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

Responsibilities of Management 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 Ark. Code Ann. § 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The 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.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
November 2, 2022
LOM107221

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the 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 regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Paragould, Arkansas (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated November 2, 2022. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. 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.

Report on 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) as a basis for designing 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.

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

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

Report on 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 laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

We also reported to management of the City in a separate letter dated November 2, 2022.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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 black ink, appearing to read "Timothy R. Jones". The signature is fluid and cursive, with a large initial "T" and "R".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
November 2, 2022

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2021:

Mayor: Josh Agee
City Clerk: Andrea Williams
Treasurer: Georgia Roberts (resigned June 30, 2021)
Teresa Stormes (appointed July 1, 2021)
Police Chief: Todd Stovall

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City 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 black ink that reads "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
November 2, 2022

CITY OF PARAGOULD, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 10,634,497	\$ 9,708,426	\$ 5,178,428
Accounts receivable	1,167,561	280,871	153,324
Interfund receivables	<u>2,791,579</u>		<u>26,319</u>
TOTAL ASSETS	<u><u>\$ 14,593,637</u></u>	<u><u>\$ 9,989,297</u></u>	<u><u>\$ 5,358,071</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 375,277	\$ 73,989	\$ 23,664
Interfund payables		26,319	2,791,579
Settlements pending			4,390
Total Liabilities	<u>375,277</u>	<u>100,308</u>	<u>2,819,633</u>
Fund Balances:			
Restricted	36,764		2,172,945
Committed	35,896		350,820
Assigned	22,771	9,888,989	14,673
Unassigned	<u>14,122,929</u>		
Total Fund Balances	<u>14,218,360</u>	<u>9,888,989</u>	<u>2,538,438</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 14,593,637</u></u>	<u><u>\$ 9,989,297</u></u>	<u><u>\$ 5,358,071</u></u>

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

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

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 571,055	\$ 2,221,213	
Federal aid	473,738	789,206	\$ 3,130,055
Property taxes	1,093,724	196,071	
Franchise fees	2,257,965		
Sales taxes	7,861,041		1,558,931
Fines, forfeitures, and costs	559,037		131,325
Interest	68,875	68,140	13,936
Local permits and fees	475,685	46,288	5,700
Sanitation fees	2,520,256		
Advertising and promotion taxes			130,684
Emergency 911 fees	549,393		
Park fees, rentals, and sales	532,107		
Airport sales	243,601		
Return of prior year funding			5,800
Other	423,668	9,989	10
	<u>17,630,145</u>	<u>3,330,907</u>	<u>4,976,441</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	1,707,326		
Law enforcement	3,270,408		1,842,440
Highways and streets		4,249,164	
Public safety	2,896,509		1,345,778
Sanitation	2,076,669		
Health	166,056		
Recreation and culture	2,010,456		
Social services	81,500		129,631
Advertising and promotion			191,778
Economic development			910,830
Airport	697,967		
	<u>12,906,891</u>	<u>4,249,164</u>	<u>4,420,457</u>
TOTAL EXPENDITURES			

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

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,723,254	\$ (918,257)	\$ 555,984
OTHER FINANCING SOURCES (USES) Contribution from Greene County	69,210		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,792,464	(918,257)	555,984
FUND BALANCES - JANUARY 1	9,425,896	10,807,246	1,982,454
FUND BALANCES - DECEMBER 31	\$ 14,218,360	\$ 9,888,989	\$ 2,538,438

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

CITY OF PARAGOULD, 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

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 571,055	\$ 571,055	\$ 0	\$ 2,221,213	\$ 2,221,213	\$ 0
Federal aid	473,538	473,738	200	815,663	789,206	(26,457)
Property taxes	1,094,314	1,093,724	(590)	196,806	196,071	(735)
Franchise fees	2,257,965	2,257,965	0			
Sales taxes	7,861,041	7,861,041	0			
Fines, forfeitures, and costs	559,037	559,037	0			
Interest	60,280	68,875	8,595	68,140	68,140	0
Local permits and fees	480,986	475,685	(5,301)	45,675	46,288	613
Sanitation fees	2,520,256	2,520,256	0			
Emergency 911 fees	736,393	549,393	(187,000)			
Park fees, rentals, and sales	531,137	532,107	970			
Airport sales	243,601	243,601	0			
Other	372,124	423,668	51,544	9,989	9,989	0
TOTAL REVENUES	17,761,727	17,630,145	(131,582)	3,357,486	3,330,907	(26,579)
EXPENDITURES						
Current:						
General government	1,724,791	1,707,326	17,465			
Law enforcement	3,284,993	3,270,408	14,585			
Highways and streets				4,280,287	4,249,164	31,123
Public safety	2,907,080	2,896,509	10,571			
Sanitation	2,081,669	2,076,669	5,000			
Health	166,056	166,056	0			
Recreation and culture	2,015,065	2,010,456	4,609			
Social services	94,615	81,500	13,115			
Airport	702,920	697,967	4,953			
TOTAL EXPENDITURES	12,977,189	12,906,891	70,298	4,280,287	4,249,164	31,123
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,784,538	4,723,254	(61,284)	(922,801)	(918,257)	4,544
OTHER FINANCING SOURCES (USES)						
Transfers in	29,455		(29,455)			
Contribution from Greene County	69,210	69,210	0			
TOTAL OTHER FINANCING SOURCES (USES)	98,665	69,210	(29,455)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,883,203	4,792,464	(90,739)	(922,801)	(918,257)	4,544
FUND BALANCES - JANUARY 1	9,391,123	9,425,896	34,773	10,807,246	10,807,246	0
FUND BALANCES - DECEMBER 31	<u>\$ 14,274,326</u>	<u>\$ 14,218,360</u>	<u>\$ (55,966)</u>	<u>\$ 9,884,445</u>	<u>\$ 9,888,989</u>	<u>\$ 4,544</u>

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

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Paragould 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. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Light, Water, and Cable. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. 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, federal aid, 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. See Schedules 1 and 2 for Special Revenue Funds as 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). See Schedule 1 for the Custodial Fund reported with other funds in the aggregate.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. 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.

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.

Settlements Pending

Settlements pending are considered excess payroll transfers due to other City funds and unremitted payroll withholdings.

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.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

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

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by 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.

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.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	25,019,260	25,393,100
Total Deposits	\$ 25,519,260	\$ 25,893,100

The above total deposits do not include cash on hand of \$2,091.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid	\$ 4,582	\$ 276,990	
Property taxes	15,550	2,781	
Franchise fees	176,283		
Sales taxes	683,623		\$ 134,071
Fines, forfeitures, and costs	45,291		5,893
Local permits and fees	1,764	1,100	
Sanitation fees	208,422		
Advertising and promotion taxes			10,857
Emergency 911 fees	5,080		
Park fees, rentals, and sales	10		
Airport sales	495		
Return of prior year funding			2,503
Other	26,461		
Totals	\$ 1,167,561	\$ 280,871	\$ 153,324

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 232,434	\$ 57,044	\$ 23,664
Salaries payable	134,603	15,741	
Payroll taxes payable	8,240	1,204	
Totals	<u>\$ 375,277</u>	<u>\$ 73,989</u>	<u>\$ 23,664</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund	\$ 2,791,579	
Street Fund		\$ 26,319
Other Funds in the Aggregate:		
Special Revenue Funds:		
Linwood Cemetery		762
American Rescue Plan Act	26,319	2,790,817
Totals	<u>\$ 2,817,898</u>	<u>\$ 2,817,898</u>

Interfund receivables and payables consist of American Rescue Plan expenditures to be reimbursed by the American Rescue Plan Fund, premium payments to be reimbursed by Street Fund, and interfund loans. These balances were repaid in April 2022.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7: 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			\$ 33,630
Law enforcement	\$ 36,011		198,628
Public safety	753		
Advertising and promotion			118,730
Economic development			1,821,956
Airport			1
Total Restricted	<u>36,764</u>		<u>2,172,945</u>
Committed for:			
Social services			350,820
Airport	35,896		
Total Committed	<u>35,896</u>		<u>350,820</u>
Assigned to:			
Law enforcement			14,673
Highways and streets		\$ 9,888,989	
Recreation and culture	22,771		
Total Assigned	<u>22,771</u>	<u>9,888,989</u>	<u>14,673</u>
Unassigned	<u>14,122,929</u>		
Totals	<u>\$ 14,218,360</u>	<u>\$ 9,888,989</u>	<u>\$ 2,538,438</u>

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, 2021, the legal debt limit for the bonded debt was \$82,213,132. 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, 2021, the legal debt limit for short-term financing obligations was \$20,792,605. There were no short-term financing obligations.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9: Commitments

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

	December 31, 2021
Long-term liabilities	\$ 1,099,015
Construction contracts	3,290,171
 Total Commitments	 \$ 4,389,186

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	\$ 1,099,015

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

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2021:

Project Name	Completed/Estimated Completion Date	Contract Balance December 31, 2021
8 Mile Creek Trail Project	October 27, 2022	\$ 868,649
Airport Clear Span Hanger	August 2, 2022	368,400
Farmer's Market	November 30, 2022	2,053,122
 Total Construction Contracts		 \$ 3,290,171

NOTE 10: Subsequent Events

On March 22, 2022, the City executed a lease agreement with Arvest Equipment Finance for three Mack sanitation trucks in the amount of \$941,422.

On October 24, 2022, the City approved purchasing a firetruck from Emergency Vehicle Specialists in the amount of \$1,464,476. The City paid \$725,000 as a down-payment on October 25, 2022. The balance will be paid upon delivery in 2023.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: 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 \$300,000 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 PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

**NOTE 12: 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 September 10, 2002, administration of the City of Paragould Firemen's Pension and Relief Fund and on November 22, 2003, the City of Paragould Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

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 \$697,337 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$490,309 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 \$5,301,088.

NOTE 13: 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.

CITY OF PARAGOULD, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13: Arkansas Public Employees Retirement System (Continued)

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 \$565,735 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 \$1,421,780.

NOTE 14: 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). In 2021, the City Received \$16,280 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The City was awarded \$6,005,344 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$6,005,344 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 15: Interlocal Agreement

District Court

The City of Paragould entered into a cost-sharing agreement with Greene County, Clay County and the Cities of Piggott, Corning, and Rector to facilitate adequate District Court personnel and support for the 17th Judicial District. The agreement creates the new position of Managing Court Clerk, who, along with all Court deputies and staff, will serve under the sole direction of the District Judge but shall be considered employees of Greene County for the purposes of being subject to its employee handbook. Additionally, the Managing Court Clerk will be classified as an exempt employee. The entities' share of the expenses will be prorated as follows: 40% by Greene County, 10% by Clay County, 40% by Paragould, 3.7% by Piggott and Corning, and 2.6% by Rector. Greene County will send a monthly itemized bill to each county and city for the agreed-upon share of expenses. The City of Paragould paid \$44,412 to Greene County in 2021 for their share of the prorated expenses.

CITY OF PARAGOULD, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS							CUSTODIAL FUND	Totals	
	District Court Automation	Economic Development	Street Crimes and Drug Buy	Linwood Cemetery	Airport Improvement Grant	Emergency Vehicle Act 988	Advertising and Promotion	American Rescue Plan Act		
ASSETS										
Cash and cash equivalents	\$ 153,893	\$ 1,687,885	\$ 40,648	\$ 351,582	\$ 1	\$ 12,982	\$ 105,370	\$ 2,798,128	\$ 27,939	\$ 5,178,428
Accounts receivable	2,295	134,071				3,598	13,360			153,324
Interfund receivables								26,319		26,319
TOTAL ASSETS	<u>\$ 156,188</u>	<u>\$ 1,821,956</u>	<u>\$ 40,648</u>	<u>\$ 351,582</u>	<u>\$ 1</u>	<u>\$ 16,580</u>	<u>\$ 118,730</u>	<u>\$ 2,824,447</u>	<u>\$ 27,939</u>	<u>\$ 5,358,071</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 40		\$ 75						\$ 23,549	\$ 23,664
Interfund payables				\$ 762				\$ 2,790,817		2,791,579
Settlements pending									4,390	4,390
Total Liabilities	<u>40</u>		<u>75</u>	<u>762</u>				<u>2,790,817</u>	<u>27,939</u>	<u>2,819,633</u>
Fund Balances:										
Restricted	156,148	\$ 1,821,956	25,900		\$ 1	\$ 16,580	\$ 118,730	33,630		2,172,945
Committed				350,820						350,820
Assigned			14,673							14,673
Total Fund Balances	<u>156,148</u>	<u>1,821,956</u>	<u>40,573</u>	<u>350,820</u>	<u>1</u>	<u>16,580</u>	<u>118,730</u>	<u>33,630</u>		<u>2,538,438</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 156,188</u>	<u>\$ 1,821,956</u>	<u>\$ 40,648</u>	<u>\$ 351,582</u>	<u>\$ 1</u>	<u>\$ 16,580</u>	<u>\$ 118,730</u>	<u>\$ 2,824,447</u>	<u>\$ 27,939</u>	<u>\$ 5,358,071</u>

CITY OF PARAGOULD, 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

Schedule 2

SPECIAL REVENUE FUNDS										
	District Court Automation	Economic Development	Street Crimes and Drug Buy	Linwood Cemetery	Airport Improvement Grant	Mission Outreach	Emergency Vehicle Act 988	Advertising and Promotion	American Rescue Plan Act	Totals
REVENUES										
Federal aid						\$ 127,365			\$ 3,002,690	\$ 3,130,055
Sales taxes		\$ 1,558,931								1,558,931
Fines, forfeitures, and costs	\$ 31,843		\$ 30,194				\$ 69,288			131,325
Interest	932	9,208	117	\$ 2,266			859	\$ 554		13,936
Local permits and fees				5,700						5,700
Advertising and promotion taxes								130,684		130,684
Return of prior year funding								5,800		5,800
Other			10							10
TOTAL REVENUES	32,775	1,568,139	30,321	7,966		127,365	70,147	137,038	3,002,690	4,976,441
EXPENDITURES										
Current:										
Law enforcement	13,380		4,421				201,357		1,623,282	1,842,440
Public safety									1,345,778	1,345,778
Social services				2,266		127,365				129,631
Advertising and promotion								191,778		191,778
Economic development		910,830								910,830
TOTAL EXPENDITURES	13,380	910,830	4,421	2,266		127,365	201,357	191,778	2,969,060	4,420,457
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,395	657,309	25,900	5,700			(131,210)	(54,740)	33,630	555,984
FUND BALANCES - JANUARY 1	136,753	1,164,647	14,673	345,120	\$ 1		147,790	173,470		1,982,454
FUND BALANCES - DECEMBER 31	\$ 156,148	\$ 1,821,956	\$ 40,573	\$ 350,820	\$ 1	\$ 0	\$ 16,580	\$ 118,730	\$ 33,630	\$ 2,538,438

CITY OF PARAGOULD, 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>
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.
Economic Development	Established to account for a quarter-cent sales and use tax levied for economic development purposes and/or to secure the repayment of bonds issued to finance capital improvements of a public nature.
Street Crimes and Drug Buy	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.
Linwood Cemetery	Paragould Ordinance no. 980 (June 9, 1975) established a trust fund to account for lot sales and interest to be used for maintenance and upkeep of Linwood Cemetery.
Airport Improvement Grant	Established to account for federal grants received to be used for improvements to the airport.
Mission Outreach	Established to account for a grant received from the Department of Housing and Urban Development to be used for renovations to the City of Paragould homeless shelter.
Emergency Vehicle Act 988	Ark. Code Ann. § 27-22-103 established fund for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus.
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.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Payroll	Established for payroll expenditures.

CITY OF PARAGOULD, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2021
(Unaudited)

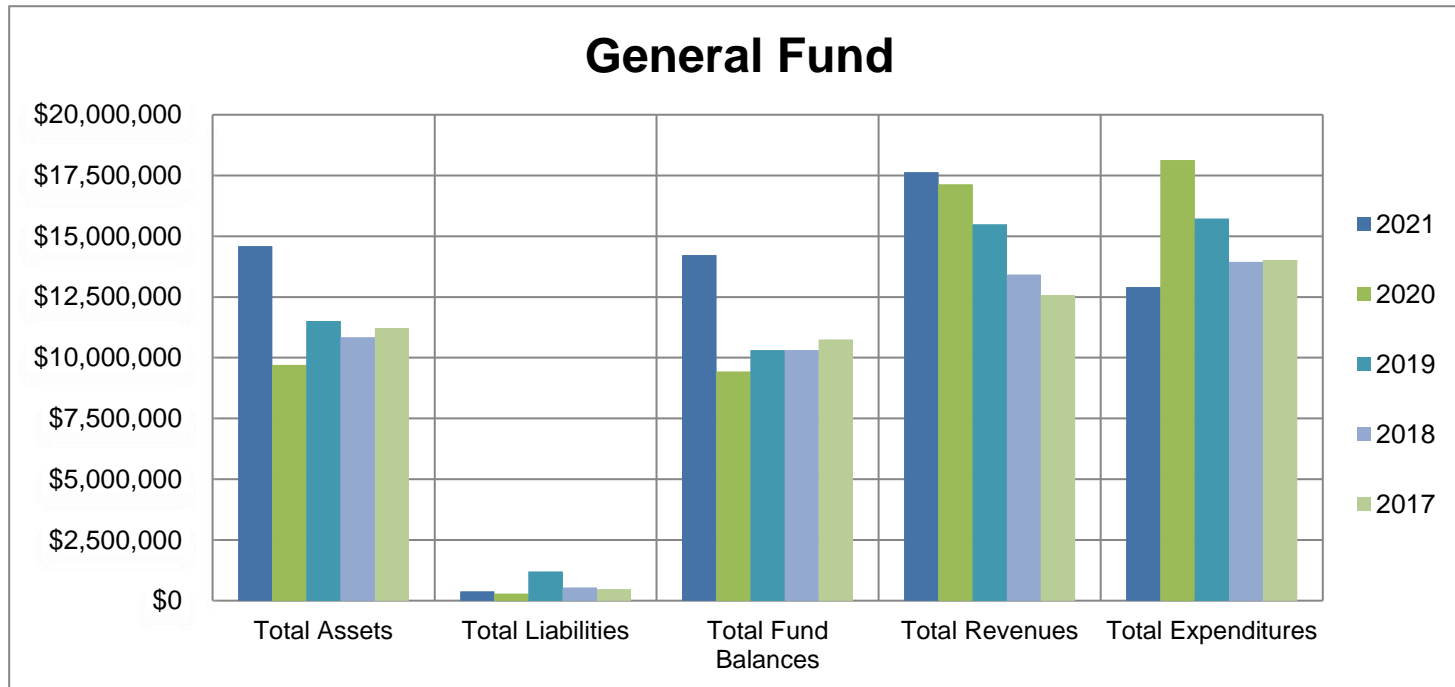
Schedule 3

	<u>December 31, 2021</u>
Land	\$ 3,152,614
Buildings	17,821,424
Improvements	6,666,053
Equipment	13,793,082
Construction in progress	<u>1,210,214</u>
Total	<u>\$ 42,643,387</u>

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

Schedule 4-1

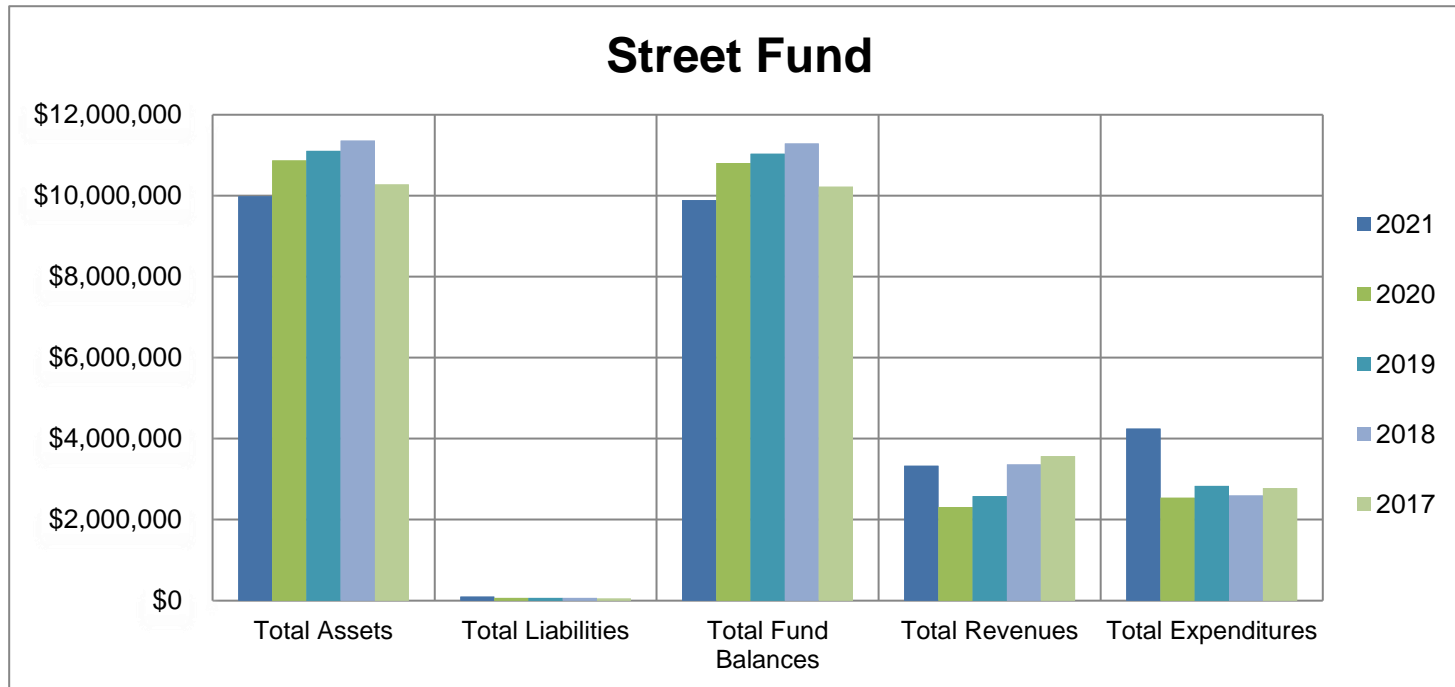
General	2021	2020	2019	2018	2017
Total Assets	\$ 14,593,637	\$ 9,707,044	\$ 11,501,806	\$ 10,833,574	\$ 11,211,124
Total Liabilities	375,277	281,148	1,190,586	531,319	471,295
Total Fund Balances	14,218,360	9,425,896	10,311,220	10,302,255	10,739,829
Total Revenues	17,630,145	17,128,193	15,485,232	13,419,684	12,578,973
Total Expenditures	12,906,891	18,126,277	15,716,763	13,944,617	14,021,103
Total Other Financing Sources/Uses	69,210	112,760	240,496	87,359	(4,000)



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

Schedule 4-2

Street	2021	2020	2019	2018	2017
Total Assets	\$ 9,989,297	\$ 10,871,376	\$ 11,108,357	\$ 11,358,521	\$ 10,275,273
Total Liabilities	100,308	64,130	68,666	66,837	54,662
Total Fund Balances	9,888,989	10,807,246	11,039,691	11,291,684	10,220,611
Total Revenues	3,330,907	2,311,885	2,581,077	3,364,384	3,565,181
Total Expenditures	4,249,164	2,544,330	2,833,070	2,593,311	2,782,130
Total Other Financing Sources/Uses					



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

Schedule 4-3

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 5,358,071	\$ 2,052,472	\$ 1,507,289	\$ 1,046,879	\$ 2,611,300
Total Liabilities	2,819,633	70,018	30,897	2,023	271,766
Total Fund Balances	2,538,438	1,982,454	1,476,392	1,024,856	2,339,534
Total Revenues	4,976,441	1,767,408	1,616,415	1,585,746	1,582,942
Total Expenditures	4,420,457	1,261,346	1,166,879	2,904,424	1,371,412
Total Other Financing Sources/Uses			2,000	4,000	4,000

