

# **City of Sherwood, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# 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**

Independent Auditor's Report

City of Sherwood, 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 Sherwood, 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 Sherwood, 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 Sherwood, 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 opinion is 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 Regulatory Basis 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 August 30, 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  
August 30, 2022  
LOM108221

# 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 Sherwood, 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 Sherwood, 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 August 30, 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 August 30, 2022.

### **Purpose of This Report**

The purpose of this report is solely to described 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 that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 30, 2022

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair

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Senate Vice Chair



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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

City of Sherwood, 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: Virginia Young  
Recorder/Treasurer: Angela Nicholson  
District Court Clerk: Grace Gault  
Police Chief: Jeff Hagar (appointed January 30, 2021)  
James Bedwell (retired January 29, 2021)

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

#### District Court Clerk

The District Court Clerk was unable to identify \$184,910 remaining in the bank account with receipts issued for cases not yet adjudicated and payments made on all unpaid individual time accounts, as required by Ark. Code Ann § 16-10-209. A similar finding has been noted in the previous twelve reports dating back to 2009.

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 cursive script that reads "Marti Steel".

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 30, 2022



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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 13,140,405	\$ 4,502,967	\$ 25,227,544
Investments			6,910,612
Accounts receivable	<u>1,923,330</u>	<u>280</u>	<u>831,938</u>
TOTAL ASSETS	<u><u>\$ 15,063,735</u></u>	<u><u>\$ 4,503,247</u></u>	<u><u>\$ 32,970,094</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 595,134	\$ 672,624	\$ 5,024
Settlements pending			327,919
Total Liabilities	<u>595,134</u>	<u>672,624</u>	<u>332,943</u>
Fund Balances:			
Restricted	195,470	3,830,623	32,637,151
Unassigned	14,273,131		
Total Fund Balances	<u>14,468,601</u>	<u>3,830,623</u>	<u>32,637,151</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 15,063,735</u></u>	<u><u>\$ 4,503,247</u></u>	<u><u>\$ 32,970,094</u></u>

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

CITY OF SHERWOOD, 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	\$ 489,651	\$ 2,497,959	
Federal aid	108,068		\$ 3,319,201
Property taxes		775,320	695,060
Franchise fees	370,254		2,042,267
Sales taxes	16,893,989		5,205,669
Fines, forfeitures, and costs	752,188		75,474
Interest	58,666	22,651	199,816
Local permits and fees	679,129		
Sanitation fees	3,238,769		
Advertising and promotion taxes			1,193,710
911 fees	453,073		
Country club fees and rentals	484,804		
Parks and recreation fees	529,115		
Childcare	272,125		
Donations	32,313		
Employer pension contributions			87,500
Net increase/(decrease) in fair value of investments			458,494
Other	502,392	111,681	89,970
TOTAL REVENUES	24,864,536	3,407,611	13,367,161
EXPENDITURES			
Current:			
General government	5,197,973		95,519
Law enforcement	8,867,170		398,293
Highways and streets	520,837	2,733,046	3,482,428
Public safety	1,267,401		
Sanitation	2,438,972		70,655
Recreation and culture	3,542,057		736,098
Social services	235,987		
Total Current	22,070,397	2,733,046	4,782,993
Debt Service:			
Bond principal			5,930,000
Bond interest and other charges			1,006,995
TOTAL EXPENDITURES	22,070,397	2,733,046	11,719,988

CITY OF SHERWOOD, 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
	<u>                    </u>	<u>                    </u>	<u>                    </u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,794,139	\$ 674,565	\$ 1,647,173
OTHER FINANCING SOURCES (USES)			
Transfers in	1,526,791		784,808
Transfers out			(2,311,599)
Proceeds from refunding bond issue			4,980,000
Contribution from custody trust			329,679
Payment to refunding bond escrow agent			(4,990,000)
	<u>1,526,791</u>		<u>(1,207,112)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,320,930	674,565	440,061
FUND BALANCES - JANUARY 1	<u>10,147,671</u>	<u>3,156,058</u>	<u>32,197,090</u>
FUND BALANCES - DECEMBER 31	<u>\$ 14,468,601</u>	<u>\$ 3,830,623</u>	<u>\$ 32,637,151</u>

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

CITY OF SHERWOOD, 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

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 455,100	\$ 489,651	\$ 34,551	\$ 2,300,647	\$ 2,497,959	\$ 197,312
Federal aid		108,068	108,068			
Property taxes				775,319	775,320	1
Franchise fees	425,000	370,254	(54,746)			
Sales taxes	14,600,000	16,893,989	2,293,989			
Fines, forfeitures, and costs	860,000	752,188	(107,812)			
Interest	60,000	58,666	(1,334)	26,413	22,651	(3,762)
Local permits and fees	686,500	679,129	(7,371)			
Sanitation fees	3,120,100	3,238,769	118,669			
911 fees	253,000	453,073	200,073			
Country club fees and rentals	436,500	484,804	48,304			
Parks and recreation fees	301,500	529,115	227,615			
Childcare	41,500	272,125	230,625			
Donations		32,313	32,313			
Other	215,000	502,392	287,392		111,681	111,681
<b>TOTAL REVENUES</b>	<b>21,454,200</b>	<b>24,864,536</b>	<b>3,410,336</b>	<b>3,102,379</b>	<b>3,407,611</b>	<b>305,232</b>
EXPENDITURES						
Current:						
General government	5,178,879	5,197,973	(19,094)			
Law enforcement	9,870,426	8,867,170	1,003,256			
Highways and streets	685,707	520,837	164,870	3,244,051	2,733,046	511,005
Public safety	1,377,788	1,267,401	110,387			
Sanitation	3,480,282	2,438,972	1,041,310			
Recreation and culture	5,344,147	3,542,057	1,802,090			
Social services	292,100	235,987	56,113			
<b>TOTAL EXPENDITURES</b>	<b>26,229,329</b>	<b>22,070,397</b>	<b>4,158,932</b>	<b>3,244,051</b>	<b>2,733,046</b>	<b>511,005</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,775,129)</b>	<b>2,794,139</b>	<b>7,569,268</b>	<b>(141,672)</b>	<b>674,565</b>	<b>816,237</b>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,960,000	1,526,791	(433,209)			
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(2,815,129)</b>	<b>4,320,930</b>	<b>7,136,059</b>	<b>(141,672)</b>	<b>674,565</b>	<b>816,237</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>1,184,099</b>	<b>10,147,671</b>	<b>10,147,671</b>	<b>3,156,058</b>	<b>3,156,058</b>	<b>3,156,058</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ (1,631,030)</b>	<b>\$ 14,468,601</b>	<b>\$ 17,283,730</b>	<b>\$ (141,672)</b>	<b>\$ 3,830,623</b>	<b>\$ 3,972,295</b>

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

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

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

**A. Financial Reporting Entity**

The City of Sherwood 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: Wastewater Fund. 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 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.

**Capital Projects Funds** - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation – Regulatory (Continued)**

**Other Funds in the Aggregate (Continued)**

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. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

Pension Trust Funds – Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for the Pension Trust Fund 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 Custodial Funds as reported with other funds in the aggregate.

**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, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

**Investments**

Investments are reported at fair value.

**Settlements Pending**

Settlements pending are considered fines, forfeitures, costs, prosecuting attorney’s fees, and hot check collections that have not been transferred to the appropriate entities.

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Fund Balances (Continued)**

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. 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.

**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.

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**G. Fund Balance Classification Policies and Procedures (Continued)**

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

There were no committed or assigned fund balances at year end.

**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)	\$ 1,431,461	\$ 1,431,461
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	41,219,340	41,472,886
Uncollateralized	213,613	213,613
Total Deposits	<u>\$ 42,864,414</u>	<u>\$ 43,117,960</u>

The above total deposits do not include cash on hand of \$6,502.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits. A formal policy for custodial credit risk has not been adopted by the City. As of December 31, 2021, \$213,613 of the City's cash balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

**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.



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

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

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.

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	December 31, 2021 Fair Value
Pension Trust - Municipal Employee Retirement	\$ 6,910,612

Investments are reported at fair value. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

The City's investments are composed of the following:

<u>December 31, 2021</u> Investment Type	Quoted Prices in Active Markets for Identical Investments Level I	Other Observable Inputs Level II	Total
Foreign bonds		\$ 203,592	\$ 203,592
Municipal bonds		99,645	99,645
Corporate bonds		1,926,852	1,926,852
Domestic bonds		1,257,188	1,257,188
Common stock	\$ 2,402,964		2,402,964
Equity funds and EFT's	525,498		525,498
Intl equity funds and EFT's	494,873		494,873
Totals	\$ 3,423,335	\$ 3,487,277	\$ 6,910,612

The fair value of federated treasury obligations, money market obligations and the cash management fund is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources. U.S. Government, mortgage-backed and corporate bonds are valued at fair value using quoted market prices from third parties that use, as their basis readily observable market inputs, such as yields of similar instruments with comparable inputs. As a result, these were classified as Level II inputs.

The City also bought and sold various bonds, stocks, and equity funds during the year.

CITY OF SHERWOOD, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5: 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	\$ 9,001		
Franchise fees	77,185		\$ 285,415
Sales taxes	1,492,081		443,642
Fines, forfeitures, and costs	57,490		
Interest	450	\$ 280	
Local permits and fees	10,093		
Sanitation fees	274,714		
Advertising and promotion taxes			102,881
Donations	450		
Other	1,866		
Totals	<u>\$ 1,923,330</u>	<u>\$ 280</u>	<u>\$ 831,938</u>

**NOTE 6: 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	\$ 256,143	\$ 649,586	\$ 5,024
Salaries payable	305,184	15,673	
Payroll taxes payable	33,807	7,365	
Totals	<u>\$ 595,134</u>	<u>\$ 672,624</u>	<u>\$ 5,024</u>

CITY OF SHERWOOD, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**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	\$ 1,884		\$ 3,263,348
Law enforcement	133,828		308,320
Highways and streets		\$ 3,830,623	
Recreation and culture	26,215		449,687
Social services	33,543		
Advertising and promotion			1,763,446
Pension benefits			6,980,984
Capital outlay			17,710,518
Debt service			2,160,848
Total Restricted	<u>195,470</u>	<u>3,830,623</u>	<u>32,637,151</u>
Unassigned	<u>14,273,131</u>		
Totals	<u>\$ 14,468,601</u>	<u>\$ 3,830,623</u>	<u>\$ 32,637,151</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 \$111,909,171. The general obligation debt, net of amounts available in the debt service fund for bond retirement was \$2,275,905, leaving a legal debt margin of \$109,633,266.

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 \$28,426,521.

**NOTE 9: Commitments**

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

	December 31, 2021
Long-term liabilities	\$ 24,628,081
Noncancellable leases	201,278
Construction contracts	<u>1,491,235</u>
Total Commitments	<u>\$ 26,320,594</u>

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

**NOTE 9: Commitments (Continued)**

Long-term liabilities

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

	December 31, 2021
<u>Bonds</u>	
2015 Library Construction Bonds; dated December 3, 2015, in the amount of \$6,000,000, due in annual installments of \$325,000 to \$1,055,000 plus interest through 2033; interest of 1.8% to 3.125%. Payments are to be made from the Library Construction Bonds, Series 2015 Debt Service Fund.	\$ 2,885,000
2017 Hotel and Restaurant Gross Receipts Tax Bonds; dated April 11, 2017, in the amount of \$5,500,000, due in annual installments of \$145,000 to \$315,000 plus interest through 2042; interest of 2.125% to 4%. Payments are to be made from the Hotel and Restaurant Gross Receipts Tax Bonds, Series 2017 Debt Service Fund.	4,725,000
2018 Sales and Use Tax Bonds; dated November 29, 2018, in the amount of \$21,875,000, due in annual installments of \$290,000 to \$1,235,000 plus interest through 2035; interest of 3.05% to 5%. Payments are to be made from the Sales and Use Tax, Series 2018, Debt Service Fund.	10,695,000
2021 Capital Improvement Revenue Bonds; dated August 5, 2021, in the amount of \$4,980,000, due in annual installments of \$260,000 to \$470,000 plus interest through 2031; interest of 1.125% to 2%. Payments are to be made from the Capital Improvement Revenue Refunding Bonds, Series 2021 Debt Service Fund.	4,980,000
Total Bonds	<u>23,285,000</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	1,343,081
Total Long-term liabilities	<u>\$ 24,628,081</u>

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

The City's outstanding bonds payable for the 2017 and 2018 issues of \$15,420,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding bonds payable for the 2015 and 2021 issues of \$7,865,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 50% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

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

**NOTE 9: Commitments (Continued)**

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Bonds</u>					
12/3/15	3/1/33	1.8 - 3.125%	\$ 6,000,000	\$ 2,885,000	\$ 3,115,000
4/11/17	12/1/42	2.125 - 4%	5,500,000	4,725,000	775,000
11/29/18	12/1/35	3.05 - 5%	21,875,000	10,695,000	11,180,000
8/5/21	3/1/33	1.125 - 2%	4,980,000	4,980,000	
Total Long-Term Debt			<u>\$ 44,460,000</u>	<u>\$ 23,285,000</u>	<u>\$ 21,175,000</u>

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	<u>\$ 29,225,000</u>	<u>\$ 4,980,000</u>	<u>\$ 10,920,000 *</u>	<u>\$ 23,285,000</u>

\* Includes \$4,990,000 early retirement of debt – See Note 10

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Bonds		
	Principal	Interest	Total
2022	\$ 1,630,000	\$ 771,446	\$ 2,401,446
2023	1,420,000	713,880	2,133,880
2024	1,475,000	662,530	2,137,530
2025	1,535,000	608,942	2,143,942
2026	1,580,000	553,074	2,133,074
2027 through 2031	8,410,000	1,963,264	10,373,264
2032 through 2036	5,510,000	755,996	6,265,996
2037 through 2041	1,410,000	236,150	1,646,150
2042	315,000	12,600	327,600
Totals	<u>\$ 23,285,000</u>	<u>\$ 6,277,882</u>	<u>\$ 29,562,882</u>

CITY OF SHERWOOD, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9: Commitments (Continued)**

Noncancellable Leases

The City entered into noncancellable lease agreements for office equipment and golf course equipment. Terms of the leases are monthly rental payments of \$59, \$3,675 for 36 months; \$2,154, \$2,201 for 48 months; \$59, \$101, \$103, \$108, \$226, \$251, \$2,097 for 60 months; and \$216 for 63 months. At the end of the leases term, the City has the option to purchase the equipment at fair market value. The City is obligated for the following amounts for the next five years:

Year	December 31, 2021
2022	\$ 134,720
2023	46,265
2024	10,262
2025	8,546
2026	1,485
Total	<u>\$ 201,278</u>

Rental expense for 2021 was \$176,925.

Construction Contracts

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

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2021
Public Works Facility Phase 1	January 2022	\$ 15,506
Public Works Facility Phase 2	May 2022	1,475,729
Total Construction Contracts		<u>\$ 1,491,235</u>

**NOTE 10: Debt Refunding**

On August 5, 2021, the City issued refunding bonds of \$4,980,000 with an interest rate of 1.25 to 2 percent to advance refund \$4,990,000 of outstanding bonds dated May 3, 2016. The interest rates of the bonds refunded were 2 to 3.625 percent. Net bond proceeds of \$4,901,838 were remitted to an escrow agent to be added to \$164,785 of existing funds held by the trustee, to provide all future debt service payments for the bonds refunded. These bonds were called on September 1, 2021. The remaining proceeds of \$4,920 (after payment of \$73,242 net bond issuance costs) will be utilized for subsequent debt payment.

**NOTE 11: Interfund Transfers**

The Other Funds in the aggregate transferred \$1,526,791 in excess franchise fees to the General Fund. Within Other Funds in the Aggregate, \$784,808 was transferred for debt service requirements.

CITY OF SHERWOOD, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12: Pledged Revenues**

Real and Personal Property Taxes

The City pledged future one and three tenths mil (.0013) annual ad valorem tax levied upon all taxable real and personal property located within the City to repay \$6,000,000 in bonds that were issued in 2015 to finance the cost of acquiring, constructing, and equipping a new public library. Total principal and interest remaining on the bonds are \$2,885,000 and \$374,131, respectively, payable through March 1, 2033. For 2021, principal and interest paid were \$575,000 and \$94,175, respectively.

The Debt Service Fund received \$695,060 in pledged property taxes in 2021. Any taxes collected in excess of debt service payments on these bonds must be used to retire the bonds.

Franchise Fees

The City pledged future franchise fees collected from public utilities for the privilege of using the streets, highway, and other places in the city to repay \$4,980,000 in bonds that were issued in 2021 to refund the City of Sherwood Capital Improvement Revenue Refunding Bonds, Series 2016. Total principal and interest remaining on the bonds are \$4,980,000 and \$534,179, respectively, payable through March 1, 2033. For 2021, principal and interest paid were \$235,000 and \$155,598, respectively.

The Franchise Fee Fund received \$2,042,267 of pledged revenues and transferred \$1,526,791 in excess franchise fees to the General Fund in 2021. Pledged revenues in excess of debt service requirements may be used for other City expenditures.

Hotel and Restaurants Gross Receipts Tax

The City pledged collections of an existing 2% tax levied by the City on the gross proceeds from motels, hotels, and restaurants to repay \$5,500,000 in bonds that were issued in 2017 to refinance various capital improvements to and within the City's public parks and recreation facilities, including the design and construction of soccer fields, tennis courts, splash pad, and various other improvements. Total principal and interest remaining on the bonds were \$4,725,000 and \$2,194,388, respectively, payable through December 1, 2042. For 2021, principal and interest paid were \$155,000 and \$173,556, respectively.

The City received \$1,193,710 in advertising and promotion taxes in 2021. Any taxes collected in excess of debt service requirements shall be used for such lawful purposes as are approved by the Commission.

Sales and Use Tax

The City pledged future three-quarters of one percent (.75%) sales and use taxes to repay \$21,875,000 in bonds that were issued in 2018 to provide funding for capital improvements, betterments, and extensions for the City's street system; the acquisition of necessary rights of way and easements; to fund a debt service reserve; and pay the costs of issuance of the bonds. Total principal and interest remaining on the bonds are \$10,695,000 and \$3,175,184, respectively, payable through December 1, 2035. For 2021, principal and interest paid were \$4,965,000 and \$562,029, respectively.

The Sales and Use Tax Bonds, Series 2018 Debt Service Fund received \$5,205,669 in sales tax in 2021. Any sales tax collected in excess of debt service payments on these bonds is to be used for the bond's project funds costs.

CITY OF SHERWOOD, ARKANSAS  
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**NOTE 13: Joint Venture: Central Arkansas Library**

The cities of Little Rock, Jacksonville, Maumelle, and Sherwood, and Pulaski and Perry Counties entered into an agreement on January 28, 1998 in accordance with Ark. Code Ann. § 25-20-101. The purpose of this agreement is for the constructing, operating, and maintaining a public library system for the central Arkansas area which will offer library services to the public within the communities of each of the participating entities. Funding for this agreement will be derived from the tax millage assessed by the participating entities, state formula distribution, fines, endowment earnings, and gifts. The Board of Directors shall consist of seven directors for the City of Little Rock; one each for the Cities of Jacksonville, Maumelle, and Sherwood; two directors from Pulaski County and one director representing Perry County. The City provided a building for library services in 2021. Separate financial statements for the Central Arkansas Regional Library are available at 100 Rock Street, Little Rock, Arkansas.

**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. 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.



CITY OF SHERWOOD, ARKANSAS  
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**NOTE 14: Risk Management (Continued)**

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.

**NOTE 15: 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. 3<sup>rd</sup>, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website [www.lopfi-prb.com](http://www.lopfi-prb.com).

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 \$566,187 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$394,421 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 \$5,333,986.

CITY OF SHERWOOD, ARKANSAS  
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**NOTE 16: 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. The city of Sherwood has elected coverage for the District Court Clerk through APERS. 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](http://www.apers.org).

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was \$9,377 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 \$23,566.

**NOTE 17: Municipal Employees Retirement Plan  
(A Defined Benefit Plan)**

Plan Description

The Municipal Employees Retirement Plan is a simple-employer defined benefit plan which covers the City of Sherwood's employees except those covered by LOPFI, elected officials and the Court Clerk. The plan administered by the City, provided retirement, disability, and survivor benefits. Benefits and contributions are established by the Municipal Employees Retirement board. The plan does not issue a stand-alone financial report but is included in the City's financial report.

Funding Policy

Employees are not required to contribute to the plan. Employer contributions are determined by the retirement board upon the advice of an actuary employed by the Board. Employer contributions were \$150,000 in 2021. The City Council approved Sherwood Ordinance no. 1882 (November 22, 2010) to freeze further benefit accruals after the effective date (December 31, 2010). Employees hired after the effective date will not be eligible to participate in the plan. Any employees with accrued benefits as of the effective date shall be fully vested in such benefits.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is 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 January 1, 2021 (actuarial valuation date and measurement date) was \$415,380.

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

**NOTE 18: City of Sherwood 457 (b) Retirement Plan**

The City Council approved Sherwood Ordinance no. 1875 (September 21, 2010) authorizing the creation of the City of Sherwood 457(b) Retirement Plan to be effective January 1, 2011.

**Plan Description**

The current plan consists of the employer's discretionary matching and the employee's contribution to the 457(b) plan. There are two classes of eligible employees: (a) full and part-time employees that are eligible for benefits offered by the City; (b) elected officials; employees covered by Arkansas Local Police and Fire Retirement (LOPFI), Arkansas Public Employees Retirement (APERS), Arkansas District Judge Retirement System (ADJRS), or Arkansas Judicial Retirement System. Employees are 100% vested in the City's discretionary matching contributions. Within 90 days of severance from employment, attainment of retirement age, or death, participants may take their benefits in a lump sum or rollover.

**Funding Policy**

The employee has the option of pre-tax or Roth deferrals. A mandatory contribution of 3% of the employee's compensation to the plan is required for employees in class (a). Additional contributions can be made by the employee limited to the lesser of: 100% of the employee's compensation, or \$17,500. Each plan participant in class (a) shall be entitled to share in the discretionary matching contribution as of each payroll period. These rates are established by the Municipal Employees Retirement Board and approved by the City Council. On December 6, 2019, the Sherwood City Council approved ordinance nos. 2280 and 2281 authorizing a 3% matching contribution and a 4% non-discretionary contribution for the plan year 2020. The City's contribution to the plan was \$406,810 for the year ended December 31, 2021.

**NOTE 19: Corona Virus (COVID-19)**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The City was awarded \$6,512,975 in federal aid from the American Rescue Plan Act of 2021, and as of report date, the total amount awarded has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS FUND
	Advertising and Promotion Commission	Drug Control	District Court Automation	Franchise Fee	Federal Drug Control	DWI Court Grant	American Rescue Plan Act	Forfeiture Fund Department of Transportation (DOT)	Sales and Use Tax Bonds, Series 2018 Project
ASSETS									
Cash and cash equivalents	\$ 1,665,072	\$ 25,954	\$ 241,947	\$ 164,272	\$ 8,939	\$ 20,188	\$ 3,263,348	\$ 11,809	\$ 17,710,518
Investments									
Accounts receivable	102,881			285,415					
TOTAL ASSETS	<u>\$ 1,767,953</u>	<u>\$ 25,954</u>	<u>\$ 241,947</u>	<u>\$ 449,687</u>	<u>\$ 8,939</u>	<u>\$ 20,188</u>	<u>\$ 3,263,348</u>	<u>\$ 11,809</u>	<u>\$ 17,710,518</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 4,507		\$ 517						
Settlements pending									
Total Liabilities	<u>4,507</u>		<u>517</u>						
Fund Balances:									
Restricted	1,763,446	\$ 25,954	241,430	\$ 449,687	\$ 8,939	\$ 20,188	\$ 3,263,348	\$ 11,809	\$ 17,710,518
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,767,953</u>	<u>\$ 25,954</u>	<u>\$ 241,947</u>	<u>\$ 449,687</u>	<u>\$ 8,939</u>	<u>\$ 20,188</u>	<u>\$ 3,263,348</u>	<u>\$ 11,809</u>	<u>\$ 17,710,518</u>

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

Schedule 1

	DEBT SERVICE FUNDS				TRUST FUND	CUSTODIAL FUNDS		
	Library Construction Bonds, Series 2015 Debt Service	Hotel and Restaurant Gross Receipts Tax Bonds, Series 2017	Sales and Use Tax Bonds Series 2018	Capital Improvement Revenue Refunding Bonds, Series 2021	Municipal Employees Retirement	Administration of Justice	District Court	Totals
ASSETS								
Cash and cash equivalents	\$ 609,095	\$ 33,409	\$ 861,089	\$ 213,613	\$ 70,372	\$ 1,002	\$ 326,917	\$ 25,227,544
Investments					6,910,612			6,910,612
Accounts receivable			443,642					831,938
<b>TOTAL ASSETS</b>	<b>\$ 609,095</b>	<b>\$ 33,409</b>	<b>\$ 1,304,731</b>	<b>\$ 213,613</b>	<b>\$ 6,980,984</b>	<b>\$ 1,002</b>	<b>\$ 326,917</b>	<b>\$ 32,970,094</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 5,024
Settlements pending						\$ 1,002	\$ 326,917	327,919
Total Liabilities						1,002	326,917	332,943
Fund Balances:								
Restricted	\$ 609,095	\$ 33,409	\$ 1,304,731	\$ 213,613	\$ 6,980,984			32,637,151
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 609,095</b>	<b>\$ 33,409</b>	<b>\$ 1,304,731</b>	<b>\$ 213,613</b>	<b>\$ 6,980,984</b>	<b>\$ 1,002</b>	<b>\$ 326,917</b>	<b>\$ 32,970,094</b>

CITY OF SHERWOOD, 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								
	Advertising and Promotion Commission	Drug Control	District Court Automation	Franchise Fee	Federal Drug Control	DWI Court Grant	Justice Assistance Grant	American Rescue Plan Act	Forfeiture Fund Department of Transportation (DOT)
REVENUES									
Federal aid						\$ 10,402	\$ 52,311	\$ 3,256,488	
Property taxes									
Franchise fees				\$ 2,042,267					
Sales taxes									
Fines, forfeitures, and costs		\$ 24,938	\$ 35,476		\$ 3,263				\$ 11,797
Interest	\$ 995	68	1,519	827	64			6,860	12
Advertising and promotion taxes	1,193,710								
Employer pension contributions									
Net increase/(decrease) in fair value of investments									
Other	89,225					745			
<b>TOTAL REVENUES</b>	<b>1,283,930</b>	<b>25,006</b>	<b>36,995</b>	<b>2,043,094</b>	<b>3,327</b>	<b>11,147</b>	<b>52,311</b>	<b>3,263,348</b>	<b>11,809</b>
EXPENDITURES									
Current:									
General government	32,792								
Law enforcement		5,698	98,318		6,013	7,044	83,572		
Highways and streets									
Sanitation									
Recreation and culture	547,606								
Total Current	580,398	5,698	98,318		6,013	7,044	83,572		
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>580,398</b>	<b>5,698</b>	<b>98,318</b>		<b>6,013</b>	<b>7,044</b>	<b>83,572</b>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>703,532</b>	<b>19,308</b>	<b>(61,323)</b>	<b>2,043,094</b>	<b>(2,686)</b>	<b>4,103</b>	<b>(31,261)</b>	<b>3,263,348</b>	<b>11,809</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out	(332,198)			(1,962,586)					
Proceeds from refunding bond issue									
Contribution from custody trust									
Payment to refunding bond escrow agent									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(332,198)</b>			<b>(1,962,586)</b>					
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>371,334</b>	<b>19,308</b>	<b>(61,323)</b>	<b>80,508</b>	<b>(2,686)</b>	<b>4,103</b>	<b>(31,261)</b>	<b>3,263,348</b>	<b>11,809</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>1,392,112</b>	<b>6,646</b>	<b>302,753</b>	<b>369,179</b>	<b>11,625</b>	<b>16,085</b>	<b>31,261</b>		
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 1,763,446</b>	<b>\$ 25,954</b>	<b>\$ 241,430</b>	<b>\$ 449,687</b>	<b>\$ 8,939</b>	<b>\$ 20,188</b>	<b>\$ 0</b>	<b>\$ 3,263,348</b>	<b>\$ 11,809</b>

CITY OF SHERWOOD, 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

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS				TRUST FUND	
	Library Construction Bonds, Series 2015 Project	Sales and Use Tax Bonds, Series 2018 Project	Library Construction Bonds, Series 2015 Debt Service	Capital Improvement Revenue Refunding Bonds, Series 2016	Hotel and Restaurant Gross Receipts Tax Bonds, Series 2017	Sales and Use Tax Bonds Series 2018	Capital Improvement Revenue Refunding Bonds, Series 2021	Municipal Employees Retirement	Totals
REVENUES									
Federal aid									\$ 3,319,201
Property taxes			\$ 695,060						695,060
Franchise fees									2,042,267
Sales taxes						\$ 5,205,669			5,205,669
Fines, forfeitures, and costs									75,474
Interest	\$ 9	\$ 16,512	301	\$ 387	\$ 107	1,572	\$ 6	\$ 170,577	199,816
Advertising and promotion taxes									1,193,710
Employer pension contributions								87,500	87,500
Net increase/(decrease) in fair value of investments								458,494	458,494
Other									89,970
TOTAL REVENUES	9	16,512	695,361	387	107	5,207,241	6	716,571	13,367,161
EXPENDITURES									
Current:									
General government								62,727	95,519
Law enforcement								197,648	398,293
Highways and streets		3,482,428							3,482,428
Sanitation								70,655	70,655
Recreation and culture				73,242				115,250	736,098
Total Current		3,482,428		73,242				446,280	4,782,993
Debt Service:									
Bond principal			575,000	235,000	155,000	4,965,000			5,930,000
Bond interest and other charges			103,675	158,486	177,056	567,778			1,006,995
TOTAL EXPENDITURES		3,482,428	678,675	466,728	332,056	5,532,778		446,280	11,719,988
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9	(3,465,916)	16,686	(466,341)	(331,949)	(325,537)	6	270,291	1,647,173
OTHER FINANCING SOURCES (USES)									
Transfers in			16,494	227,428	332,199		208,687		784,808
Transfers out	(16,494)			(321)					(2,311,599)
Proceeds from refunding bond issue				4,975,080			4,920		4,980,000
Contribution from custody trust								329,679	329,679
Payment to refunding bond escrow agent				(4,990,000)					(4,990,000)
TOTAL OTHER FINANCING SOURCES (USES)	(16,494)		16,494	212,187	332,199		213,607	329,679	(1,207,112)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(16,485)	(3,465,916)	33,180	(254,154)	250	(325,537)	213,613	599,970	440,061
FUND BALANCES - JANUARY 1	16,485	21,176,434	575,915	254,154	33,159	1,630,268		6,381,014	32,197,090
FUND BALANCES - DECEMBER 31	\$ 0	\$ 17,710,518	\$ 609,095	\$ 0	\$ 33,409	\$ 1,304,731	\$ 213,613	\$ 6,980,984	\$ 32,637,151

CITY OF SHERWOOD, 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>
Advertising and Promotion Commission	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.
Drug Control	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.
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.
Franchise Fee	Established by Sherwood Ordinance no. 1862 (February 22, 2010) to account for franchise fees collected to repay a lease-purchase agreement with the Public Facilities Board for the North Hills Country Club. Franchise fees collected in excess of debt service requirements may be used for other City purposes.
Federal Drug Control	Established in 2010 to receive asset forfeitures resulting from federal drug offense cases.
DWI Court Grant	Established in 2010 by Sherwood Ordinance no. 1876 (September 27, 2010) to receive DWI Court federal grant funds.
Justice Assistance Grant	Established to account for grants from the Department of Justice.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Forfeiture Fund Department of Transportation (DOT)	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The City of Sherwood established the fund for forfeitures resulting from coordination with the Department of Transportation. The revenues shall only be used for law enforcement purposes.
Library Construction Bonds, Series 2015 Project	Established by Sherwood Ordinance no. 284 (October 26, 2015) to pay for the purchase of land and the construction of a new public library.



CITY OF SHERWOOD, 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>
Sales and Use Tax Bonds, Series 2018 Project	Established by Sherwood Ordinance no. 2218 (October 11, 2018) to finance capital improvements, betterments, and extensions for the City's street system, including but not limited to, the planning design, inspection, and management of the construction, reconstruction, equipping, and installation of paving and repairing of streets, sidewalks, curbs, gutters, ditches, drainage facilities, bridges, culverts, pipes, storm water discharge and detention facilities and related improvements and the acquisition of necessary rights of way and easements; funding of debt service reserve; and paying the costs of issuance of bonds.
Library Construction Bonds, Series 2015 Debt Service	Established by Sherwood Ordinance no. 284 (October 26, 2015) to maintain principal and interest payments of bonds.
Capital Improvement Revenue Refunding Bonds, Series 2016	Established by Sherwood Ordinance no. 2101 (March 28, 2016) to maintain principal and interest payments of bonds.
Hotel and Restaurant Gross Receipts Tax Bonds, Series 2017	Established by Sherwood Ordinance no. 2137 (February 27, 2017) to maintain principal and interest payments for bonds.
Sales and Use Tax Bonds Series 2018	Established by Sherwood Ordinance no. 2218 (October 11, 2018) to maintain principal and interest payments for bonds.
Capital Improvement Revenue Refunding Bonds, Series 2021	Established by Sherwood Ordinance no. 2373 (June 28, 2021) to maintain principal and interest payments of bonds.
Municipal Employees Retirement	Sherwood Ordinance no. 811 (December 28, 1997) established fund to provide retirement and incidental benefits for all eligible full-time city employees.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

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

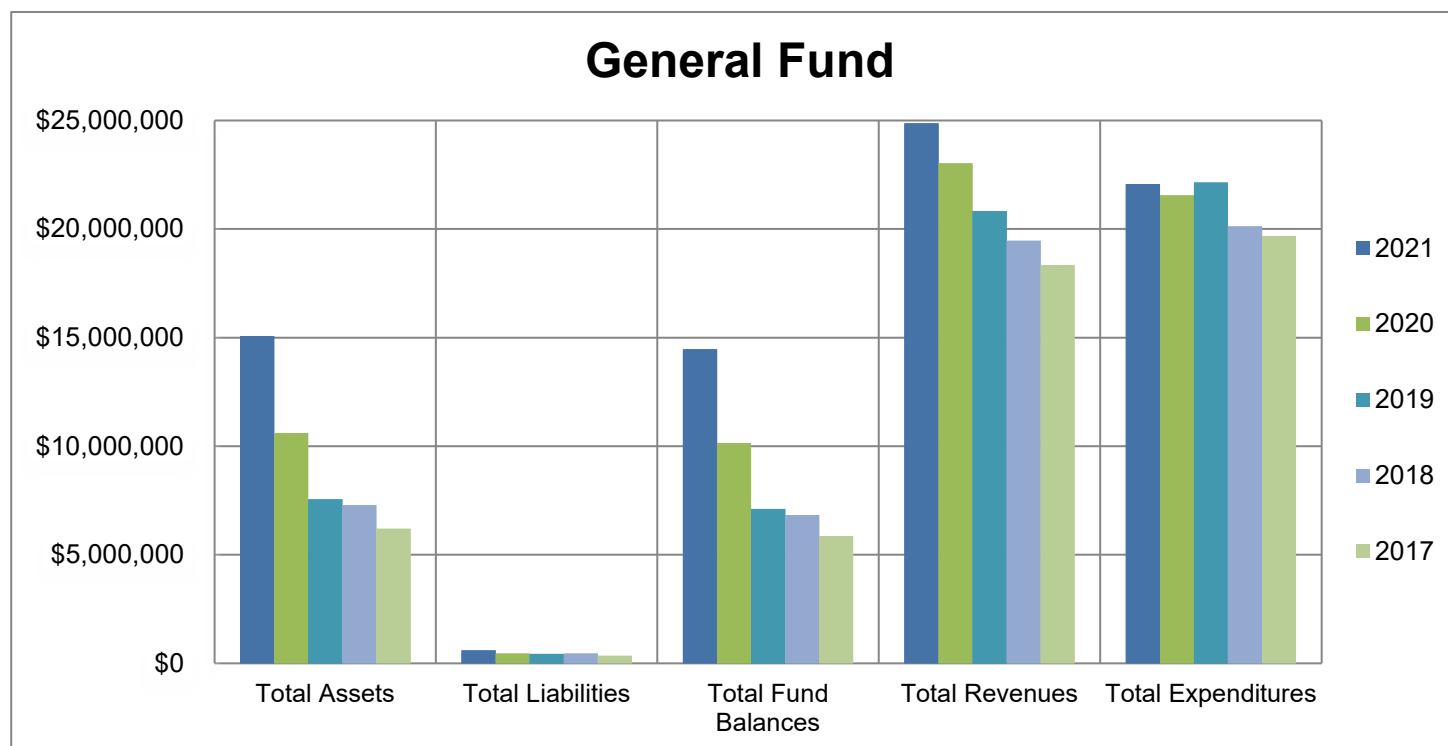
Schedule 3

	December 31, 2021
Land	\$ 4,682,300
Buildings	23,051,505
Equipment	<u>15,926,571</u>
Total	<u><u>\$ 43,660,376</u></u>

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

Schedule 4-1

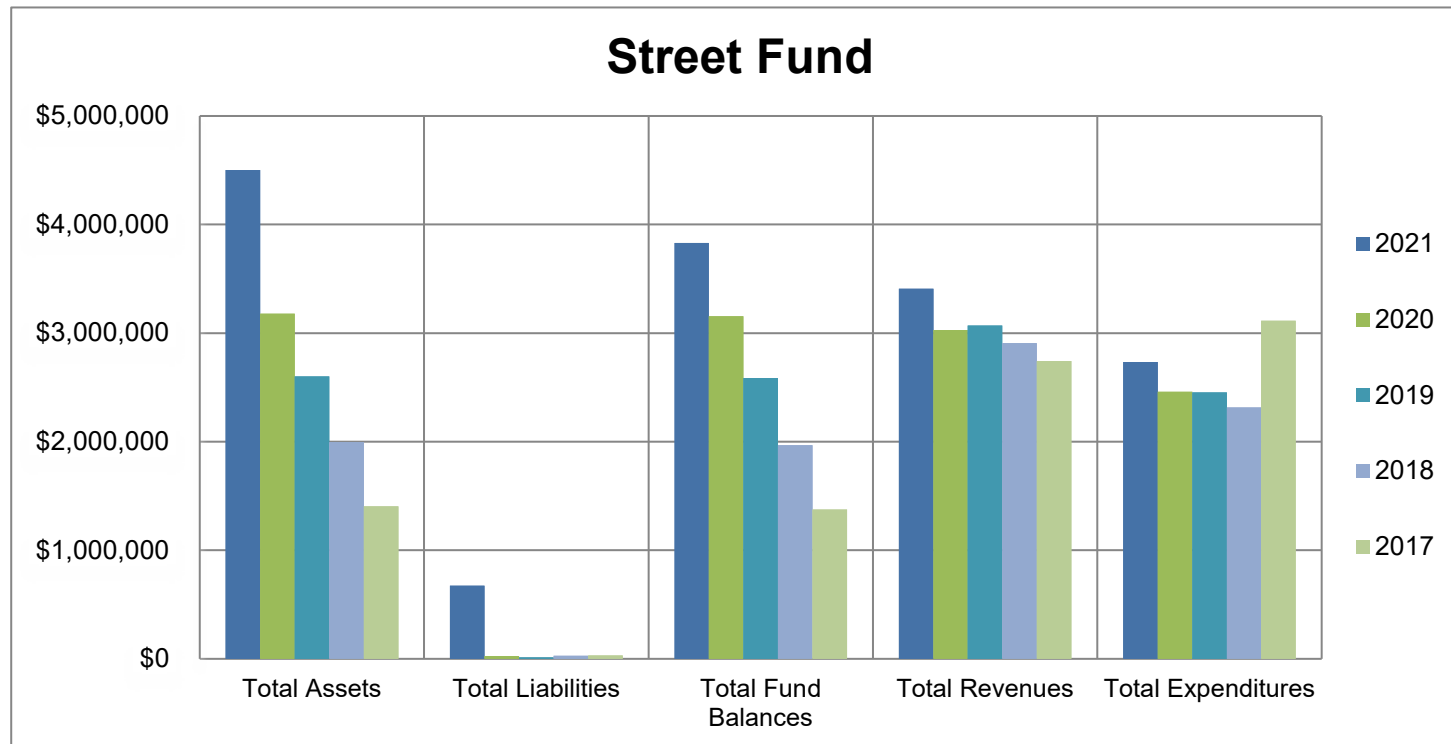
<b>General</b>	2021	2020	2019	2018	2017
Total Assets	\$ 15,063,735	\$ 10,598,485	\$ 7,554,257	\$ 7,282,663	\$ 6,199,906
Total Liabilities	595,134	450,814	442,886	456,664	347,521
Total Fund Balances	14,468,601	10,147,671	7,111,371	6,825,999	5,852,385
Total Revenues	24,864,536	23,022,882	20,824,676	19,454,590	18,345,963
Total Expenditures	22,070,397	21,548,808	22,143,156	20,124,153	19,688,002
Total Other Financing Sources/Uses	1,526,791	1,562,226	1,603,852	1,643,177	1,243,844



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

Schedule 4-2

<b>Street</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total Assets	\$ 4,503,247	\$ 3,179,947	\$ 2,600,591	\$ 1,996,800	\$ 1,404,978
Total Liabilities	672,624	23,889	14,823	29,214	30,374
Total Fund Balances	3,830,623	3,156,058	2,585,768	1,967,586	1,374,604
Total Revenues	3,407,611	3,029,659	3,071,097	2,908,252	2,743,917
Total Expenditures	2,733,046	2,459,369	2,452,915	2,315,270	3,113,134



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

Schedule 4-3

<b>Other Funds in the Aggregate</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total Assets	\$ 32,970,094	\$ 32,874,806	\$ 34,175,329	\$ 35,993,468	\$ 16,382,334
Total Liabilities	332,943	684,724	838,887	797,184	385,890
Total Fund Balances	32,637,151	32,190,082	33,336,442	35,196,284	15,996,444
Total Revenues	13,367,161	9,465,562	8,982,376	4,979,380	5,082,819
Total Expenditures	11,719,988	9,049,696	9,238,366	5,556,603	6,404,094
Total Other Financing Sources/Uses	(1,207,112)	(1,562,226)	(1,603,852)	20,231,823	4,256,156

