

City of Prairie Grove, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PRAIRIE GROVE, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Independent Auditor's Report
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*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
2021	
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis	C
2020	
Balance Sheet – Regulatory Basis	A-1
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B-1
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis	C-1
2021 and 2020	
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
2021	
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
2020	
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	4
Notes to Schedules 1 through 4	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	5
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	6-1
Schedule of Selected Information for the Last Five Years – Street Fund - Regulatory Basis (Unaudited)	6-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	6-3



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Senate Chair
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Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Prairie Grove, 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 Prairie Grove, 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 2020, 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 Prairie Grove, Arkansas as of December 31, 2021 and 2020; 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 Prairie Grove, Arkansas, as of December 31, 2021 and 2020, 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 September 16, 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

A handwritten signature in dark ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" being more prominent.

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

Little Rock, Arkansas
September 16, 2022
LOM110421

Arkansas

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



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

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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 Prairie Grove, 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 Prairie Grove, Arkansas (City), as of and for the year ended December 31, 2021 and 2020, 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 September 16, 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 September 16, 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

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Timothy R. Jones, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 16, 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 Prairie Grove, 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 and 2020:

Mayor: Charles (Sonny) Hudson
Clerk/Treasurer: Christine Kelly
District Court Clerk: Rachel Geunther
Police Chief: Chris Workman

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.

Mayor and Police Chief

In 2021, the City purchased \$4,668 in ammunition on behalf of a Police Officer for training and certification purposes. The Officer paid the City for the cost of the ammunition, and according to City officials, the Officer properly maintained the ammunition and used it for the intended purposes. However, we recommend the City seek legal counsel regarding the propriety of this transaction.

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, reading "Timothy R. Jones".

Timothy R. Jones, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 16, 2022

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,425,692	\$ 1,807,410	\$ 17,897,871
Investments			372,139
Accounts receivable	295,752	50,198	191,246
Interfund receivables		2,640	8,003
TOTAL ASSETS	<u>\$ 2,721,444</u>	<u>\$ 1,860,248</u>	<u>\$ 18,469,259</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 114,385	\$ 14,502	\$ 47,175
Interfund payables	8,003		2,640
Settlements pending	8,446		10,670
Total Liabilities	<u>130,834</u>	<u>14,502</u>	<u>60,485</u>
Fund Balances:			
Restricted		62,859	18,397,898
Assigned	1,033,981	1,782,887	10,876
Unassigned	1,556,629		
Total Fund Balances	<u>2,590,610</u>	<u>1,845,746</u>	<u>18,408,774</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,721,444</u>	<u>\$ 1,860,248</u>	<u>\$ 18,469,259</u>

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

CITY OF PRAIRIE GROVE, 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	\$ 109,391	\$ 417,415	\$ 2,522
Federal aid	16,382		698,204
Property taxes	497,769	53,706	
Franchise fees	335,609		
Sales taxes	1,043,309	470,158	2,074,709
Fines, forfeitures, and costs	208,613		38,804
Interest	1,936	1,732	21,187
Local permits and fees	178,836		
Sanitation fees	661,230		
Aquatic and ballpark	181,960		
County aid	206,712		
School resource officer reimbursement	101,565		
Drug task force reimbursements	93,158		
Donations	11,549		
Net increase/(decrease) in fair value of investments			18,742
Other	172,856	13,817	209
TOTAL REVENUES	3,820,875	956,828	2,854,377
EXPENDITURES			
Current:			
General government	763,994		595,300
Law enforcement	486,517		1,210,576
Highways and streets		447,556	343,519
Public safety	101,268		1,109,063
Sanitation	670,924		15,881
Recreation and culture	496,870		173,675
Wastewater			351,928
Water			119,454
Total Current	2,519,573	447,556	3,919,396
Debt Service:			
Bond principal			940,000
Bond interest and other charges			231,312
Note principal	61,683		
Note interest	3,765		
TOTAL EXPENDITURES	2,585,021	447,556	5,090,708

CITY OF PRAIRIE GROVE, 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	<u>\$ 1,235,854</u>	<u>\$ 509,272</u>	<u>\$ (2,236,331)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			1,115,871
Transfers out	(960,000)		(155,871)
Contribution to water department	(40,742)		
Bond proceeds			19,160,000
Payments to refunding bonds escrow agent			(1,115,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000,742)</u>		<u>19,005,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	235,112	509,272	16,768,669
FUND BALANCES - JANUARY 1	<u>2,355,498</u>	<u>1,336,474</u>	<u>1,640,105</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,590,610</u></u>	<u><u>\$ 1,845,746</u></u>	<u><u>\$ 18,408,774</u></u>

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

CITY OF PRAIRIE GROVE, 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	\$ 109,390	\$ 109,391	\$ 1	\$ 417,415	\$ 417,415	\$ 0
Federal aid	10,714	16,382	5,668			
Property taxes	497,769	497,769	0	53,706	53,706	0
Franchise fees	329,047	335,609	6,562			
Sales taxes	1,007,301	1,043,309	36,008	449,075	470,158	21,083
Fines, forfeitures, and costs	205,801	208,613	2,812			
Interest	1,302	1,936	634	680	1,732	1,052
Local permits and fees	175,026	178,836	3,810			
Sanitation fees	597,497	661,230	63,733			
Aquatic and ballpark	181,960	181,960	0			
County aid	205,558	206,712	1,154			
School resource officer reimbursement	96,389	101,565	5,176			
Drug task force reimbursements	74,089	93,158	19,069			
Donations	16,953	11,549	(5,404)			
Other	193,066	172,856	(20,210)	3,661	13,817	10,156
TOTAL REVENUES	3,701,862	3,820,875	119,013	924,537	956,828	32,291
EXPENDITURES						
Current:						
General government	1,208,818	763,994	444,824			
Law enforcement	504,197	486,517	17,680			
Highways and streets				470,801	447,556	23,245
Public safety	463,244	101,268	361,976			
Sanitation	606,561	670,924	(64,363)			
Recreation and culture	630,612	496,870	133,742			
Total Current	3,413,432	2,519,573	893,859	470,801	447,556	23,245
Debt Service:						
Note principal	61,684	61,683	1			
Note interest	3,765	3,765	0			
TOTAL EXPENDITURES	3,478,881	2,585,021	893,860	470,801	447,556	23,245

CITY OF PRAIRIE GROVE, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 222,981	\$ 1,235,854	\$ 1,012,873	\$ 453,736	\$ 509,272	\$ 55,536
OTHER FINANCING SOURCES (USES)						
Transfers in	587,036		(587,036)	18,377		18,377
Transfers out	(776,500)	(960,000)	(183,500)			
Contribution to water department	(40,741)	(40,742)	(1)			
TOTAL OTHER FINANCING SOURCES (USES)	(230,205)	(1,000,742)	(770,537)	18,377		18,377
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,224)	235,112	242,336	472,113	509,272	73,913
FUND BALANCES - JANUARY 1	2,355,498	2,355,498	0	1,336,474	1,336,474	0
FUND BALANCES - DECEMBER 31	\$ 2,348,274	\$ 2,590,610	\$ 242,336	\$ 1,808,587	\$ 1,845,746	\$ 73,913

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

CITY OF PRAIRIE GROVE, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
December 31, 2020

Exhibit A-1

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,323,282	\$ 1,324,591	\$ 1,153,547
Investments			368,398
Accounts receivable	187,554	31,585	159,052
Interfund receivables			7,431
	<u>2,510,836</u>	<u>1,356,176</u>	<u>1,688,428</u>
TOTAL ASSETS	<u>\$ 2,510,836</u>	<u>\$ 1,356,176</u>	<u>\$ 1,688,428</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 140,711	\$ 19,702	\$ 41,139
Interfund payables	7,431		
Settlements pending	7,196		7,184
Total Liabilities	<u>155,338</u>	<u>19,702</u>	<u>48,323</u>
Fund Balances:			
Restricted		23,745	1,631,999
Assigned	997,416	1,312,729	8,106
Unassigned	1,358,082		
Total Fund Balances	<u>2,355,498</u>	<u>1,336,474</u>	<u>1,640,105</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,510,836</u>	<u>\$ 1,356,176</u>	<u>\$ 1,688,428</u>

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

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

Exhibit B-1

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 93,975	\$ 334,122	\$ 2,460
Federal aid	187,799		140,000
Property taxes	450,777	46,247	
Franchise fees	293,171		
Sales taxes	828,559	368,155	1,766,358
Fines, forfeitures, and costs	193,426		35,841
Interest	4,533	2,259	30,031
Local permits and fees	175,024		
Sanitation fees	631,987		
Aquatic and ballpark	69,478		
County aid	195,796		
School resource officer reimbursement	96,062		
Drug task force reimbursements	75,735		
Sidewalk escrow deposits		97,019	
Net increase/(decrease) in fair value of investments			31,253
Other	159,009	11,524	7,162
TOTAL REVENUES	3,455,331	859,326	2,013,105
EXPENDITURES			
Current:			
General government	715,276		28,793
Law enforcement	385,228		967,750
Highways and streets		770,505	
Public safety	65,527		342,561
Sanitation	691,593		
Recreation and culture	376,319		314,219
Wastewater			245,117
Total Current	2,233,943	770,505	1,898,440
Debt Service:			
Bond principal			1,040,000
Bond interest and other charges			115,737
Note principal	59,567		
Note interest	5,882		
TOTAL EXPENDITURES	2,299,392	770,505	3,054,177

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

Exhibit B-1

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,155,939	\$ 88,821	\$ (1,041,072)
OTHER FINANCING SOURCES (USES)			
Transfers in			880,543
Transfers out	(880,543)		
Contribution to water department	(69,739)		
TOTAL OTHER FINANCING SOURCES (USES)	(950,282)		880,543
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	205,657	88,821	(160,529)
FUND BALANCES - JANUARY 1	2,149,841	1,247,653	1,800,634
FUND BALANCES - DECEMBER 31	\$ 2,355,498	\$ 1,336,474	\$ 1,640,105

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

CITY OF PRAIRIE GROVE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C-1

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 132,611	\$ 93,975	\$ (38,636)	\$ 334,122	\$ 334,122	\$ 0
Federal aid	183,612	187,799	4,187	140,000		(140,000)
Property taxes	450,777	450,777	0	44,394	46,247	1,853
Franchise fees	288,838	293,171	4,333			
Sales taxes	650,370	828,559	178,189	365,833	368,155	2,322
Fines, forfeitures, and costs	218,481	193,426	(25,055)			
Interest	2,920	4,533	1,613	1,261	2,259	998
Local permits and fees	179,489	175,024	(4,465)			
Sanitation fees	615,024	631,987	16,963			
Aquatic and ballpark	69,478	69,478	0			
County aid	134,578	195,796	61,218			
School resource officer reimbursement	67,517	96,062	28,545			
Drug task force reimbursements	75,735	75,735	0			
Donations	425		(425)			
Sidewalk escrow deposits					97,019	97,019
Other	167,333	159,009	(8,324)	40,715	11,524	(29,191)
TOTAL REVENUES	3,237,188	3,455,331	218,143	926,325	859,326	(66,999)
EXPENDITURES						
Current:						
General government	752,864	715,276	37,588			
Law enforcement	385,485	385,228	257			
Highways and streets				745,326	770,505	(25,179)
Public safety	86,059	65,527	20,532			
Sanitation	559,847	691,593	(131,746)			
Recreation and culture	543,031	376,319	166,712			
Total Current	2,327,286	2,233,943	93,343	745,326	770,505	(25,179)
Debt Service:						
Note principal	59,567	59,567	0			
Note interest	5,882	5,882	0			
TOTAL EXPENDITURES	2,392,735	2,299,392	93,343	745,326	770,505	(25,179)

CITY OF PRAIRIE GROVE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C-1

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 844,453	\$ 1,155,939	\$ 311,486	\$ 180,999	\$ 88,821	\$ (92,178)
OTHER FINANCING SOURCES (USES)						
Transfers out	(873,112)	(880,543)	(7,431)			
Contribution to water department	(69,739)	(69,739)	0			
TOTAL OTHER FINANCING SOURCES (USES)	(942,851)	(950,282)	(7,431)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(98,398)	205,657	304,055	180,999	88,821	(92,178)
FUND BALANCES - JANUARY 1	2,149,841	2,149,841	0	1,247,653	1,247,653	0
FUND BALANCES - DECEMBER 31	\$ 2,051,443	\$ 2,355,498	\$ 304,055	\$ 1,428,652	\$ 1,336,474	\$ (92,178)

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

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Prairie Grove 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: Water and Sewer. 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 through 4 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 through 4 for Capital Projects Funds as reported with other funds in the aggregate.

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 through 4 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 through 4 for the Pension Trust Funds reported with other funds in the aggregate.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedules 1 and 3 for the Custodial Fund 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.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered sanitation deposits to be refunded upon contract fulfillment, and fines, forfeitures, costs that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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.

There were no committed fund balances at year-end.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value at December 31, 2021, 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	4,395,637	4,471,761
Uncollateralized	17,234,986	17,234,986
Total Deposits	\$ 22,130,623	\$ 22,206,747

The above total deposits do not include cash on hand of \$350.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At December 31, 2021, the City had \$17,234,986 of uninsured, uncollateralized bank deposits that were exposed to custodial credit risk. \$17,231,669 of the uncollateralized amount was deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value at December 31, 2020, 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	3,342,837	3,395,137
Uncollateralized	958,233	958,233
Total Deposits	\$ 4,801,070	\$ 4,853,370

The above total deposits do not include cash on hand of \$350.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At December 31, 2020, the City had \$958,233 of uninsured, uncollateralized bank deposits that were exposed to custodial credit risk. \$896,581 of the uncollateralized amount was 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 PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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:

<u>Fund Type</u>	<u>December 31, 2021</u> <u>Fair Value</u>	<u>December 31 2020</u> <u>Fair Value</u>
Firemen's Pension Trust	\$ 372,139	\$ 368,398

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>	<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Investments</u> <u>Level I</u>
<u>Investment Type</u>	
Mutual funds	\$ 372,139

<u>December 31, 2020</u>	<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Investments</u> <u>Level I</u>
<u>Investment Type</u>	
Mutual funds	\$ 368,398

The fair values of mutual funds are measured on a recurring basis and are based on quoted marked prices obtained from independent pricing sources, and are classified as Level I inputs.

Ark. Code Ann. § 24-11-216 authorizes the Firemen's Pension Board of Trustees and Policemen's Pension Board of Trustees to have pull power to invest and reinvest monies in accordance with the rules promulgated by the Arkansas Fire and Police Pension Review Board.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4: Public Fund Investments (Continued)

The code also states the Boards shall establish written investment policies to incorporate a rate of return that is at least equal to the rate of return of one-year United States Treasury notes. The asset allocation guidelines have been established as follows:

Investment Target Allocations

<u>Asset Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
Firemen's Pension		
Total equity	0.0%	50.0%
Fixed income	25.0%	75.0%
Cash equivalents	4.0%	12.0%

NOTE 5: Accounts Receivable

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

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>
Federal aid	\$ 2,020		
Franchise fees	67,295		
Sales taxes	108,064	\$ 50,029	\$ 191,246
Sanitation fees	51,668		
County aid	8,411		
School resource officer reimbursement	33,721		
Drug task force reimbursements	19,070		
Other	5,503	169	
Totals	<u>\$ 295,752</u>	<u>\$ 50,198</u>	<u>\$ 191,246</u>

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

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>
Federal aid	\$ 1,435		
Franchise fees	60,733		
Sales taxes	72,057	\$ 31,585	\$ 159,052
County aid	7,257		
School resource officer reimbursement	28,545		
Other	17,527		
Totals	<u>\$ 187,554</u>	<u>\$ 31,585</u>	<u>\$ 159,052</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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	\$ 47,336	\$ 9,072	\$ 4,089
Salaries payable	62,090	4,214	31,524
Payroll taxes payable	4,959	1,216	11,562
Totals	<u>\$ 114,385</u>	<u>\$ 14,502</u>	<u>\$ 47,175</u>

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 77,199	\$ 13,870	\$ 2,141
Salaries payable	60,392	4,361	37,376
Payroll taxes payable	3,120	1,471	1,622
Totals	<u>\$ 140,711</u>	<u>\$ 19,702</u>	<u>\$ 41,139</u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021		December 31, 2020	
	Interfund Receivables	Interfund Payables	Interfund Receivables	Interfund Payables
General Fund		\$ 8,003		\$ 7,431
Street Fund	\$ 2,640			
Other Funds in the Aggregate:				
Special Revenue Funds:				
Police and Fire Payroll	8,003	2,640	\$ 7,431	
Totals	<u>\$ 10,643</u>	<u>\$ 10,643</u>	<u>\$ 7,431</u>	<u>\$ 7,431</u>

Interfund receivables and payables consist of interfund loans related to payroll. These balances are expected to be repaid in the subsequent period.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8: 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			\$ 326,759
Law enforcement			89,961
Highways and streets		\$ 62,859	
Recreation and culture			220,018
Pension benefits			395,618
Capital outlay			15,884,771
Debt service			1,480,771
Total Restricted		<u>62,859</u>	<u>18,397,898</u>
Assigned to:			
Law enforcement	\$ 128,077		10,876
Highways and streets		1,782,887	
Public safety	183,608		
Sanitation	508,036		
Recreation and culture	214,260		
Total Assigned	<u>1,033,981</u>	<u>1,782,887</u>	<u>10,876</u>
Unassigned	<u>1,556,629</u>		
Totals	<u>\$ 2,590,610</u>	<u>\$ 1,845,746</u>	<u>\$ 18,408,774</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8: Details of Fund Balance Classifications (Continued)

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
Law enforcement			\$ 100,147
Highways and streets		\$ 23,745	
Recreation and culture			146,109
Pension benefits			377,613
Capital outlay			212
Debt service			1,007,918
Total Restricted		<u>23,745</u>	<u>1,631,999</u>
Assigned to:			
Law enforcement	\$ 63,410		8,106
Highways and streets		1,312,729	
Public safety	131,665		
Sanitation	511,989		
Recreation and culture	<u>290,352</u>		
Total Assigned	<u>997,416</u>	<u>1,312,729</u>	<u>8,106</u>
Unassigned	<u>1,358,082</u>		
Totals	<u>\$ 2,355,498</u>	<u>\$ 1,336,474</u>	<u>\$ 1,640,105</u>

NOTE 9: 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 and December 31, 2020, the legal debt limit for the bonded debt was \$19,781,175 and \$17,004,996, respectively. 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 and December 31, 2020, the legal debt limit for short-term financing obligations was \$5,180,845 and \$4,455,071, respectively. The amount of short-term financing obligations, was \$74,718 and \$136,401, leaving a legal debt margin of \$5,106,127 and \$4,318,670, respectively.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2021, and 2020:

	December 31, 2021	December 31, 2020
Long-term liabilities	<u>\$ 19,729,056</u>	<u>\$ 2,637,431</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10: Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2021 and 2020, are comprised of the following:

	December 31, 2021	December 31, 2020
<u>Bonds</u>		
2012 Sales and Use Tax Bonds dated March 13, 2012, for financing the cost of capital improvements; principal amount of \$3,600,000, originally due in 30 annual installments ranging from \$40,000 - \$195,000 on April 1 with interest rates of 1.80% to 4.0%. The bonds are now scheduled to be paid in 2036. Payments are to be made from the 2012 Sales and Use Tax Bond Fund and are secured by pledging a 3/4% sales and use tax.		\$ 1,555,000
2014 Sales and Use Tax Refunding Bonds, dated June 30, 2014, for refunding the 2006 and 2009 Sales and Use Tax Bonds; principal amount of \$3,375,000, originally due in 12 annual installments of \$100,000 - \$575,000 beginning December 1, 2014 through December 1, 2027, interest at 1% - 3%. Payments are to be made from the 2014 Sales and Use Tax Refunding Bond Debt Service Fund.		500,000
2021A Sales and Use Tax Refunding Bonds dated June 23, 2021 for refunding the 2012 Sales and Use Tax Bonds, and financing the cost of capital improvements; principal amount of \$8,265,000, due in installments of \$210,000-\$365,000, beginning December 1, 2021 through June 1, 2051, interest at .75% - 3.0%. Payments are to be made from the 2021A Bond Debt Service Fund and are secured by pledging a 3/4% sales tax.	\$ 8,265,000	
2021B Sales and Use Tax Bonds dated June 23, 2021, for financing the cost of capital improvements; principal amount of \$10,895,000, due in installments of \$265,000 - \$480,000, beginning December 1, 2021 through June 1, 2051, with interest at 1.0% - 3.0%. Payments are to be made from the 2021B Bond Debt Service Fund and are secured by pledging a 1% sales tax.	10,895,000	
Total Bonds	19,160,000	2,055,000
<u>Direct Borrowings</u>		
Promissory note, dated February 1, 2018, with Arvest Bank, in the amount of \$300,000, to finance purchase of land and building. 60 monthly payments of \$5,454 with an interest rate of 3.43%. Payments are to be made from the General Fund.	74,718	136,401
Arkansas District Judge's Retirement unfunded pension liability - unfunded liability of the former local retirement plan for district judges and clerks, payable to the Arkansas Public Employees Retirement System.	189,994	190,412
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	304,344	255,618
Total Long-term liabilities	\$ 19,729,056	\$ 2,637,431

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

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10: Commitments (Continued)

The City's outstanding bonds payable of \$19,160,000, and \$2,055,000 as of December 31, 2021 and 2020, respectively, 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 notes from direct borrowings of \$74,718 and \$136,401 as of December 31, 2021 and 2020, respectively, contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2021</u>	<u>Maturities to December 31, 2021</u>
<u>Bonds</u>					
6/23/21	6/1/51	0.75 - 3.0%	\$ 8,265,000	\$ 8,265,000	
6/23/21	6/1/51	1.0 - 3.0%	10,895,000	10,895,000	
Total Bonds			<u>19,160,000</u>	<u>19,160,000</u>	
<u>Direct Borrowings</u>					
2/1/18	2/1/23	3.43%	300,000	74,718	\$ 225,282
Total Direct Borrowings			<u>300,000</u>	<u>74,718</u>	<u>225,282</u>
Total Long-Term Debt			<u>\$ 19,460,000</u>	<u>\$ 19,234,718</u>	<u>\$ 225,282</u>

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2020</u>	<u>Maturities to December 31, 2020</u>
<u>Bonds</u>					
3/1/12	4/12/36	1.80 - 3.75%	\$ 3,600,000	\$ 1,555,000	\$ 2,045,000
6/30/14	12/1/24	1 - 3 %	3,375,000	500,000	2,875,000
Total Bonds			<u>6,975,000</u>	<u>2,055,000</u>	<u>4,920,000</u>
<u>Direct Borrowings</u>					
2/1/18	2/1/23	3.43%	300,000	136,401	163,599
Total Direct Borrowings			<u>300,000</u>	<u>136,401</u>	<u>163,599</u>
Total Long-Term Debt			<u>\$ 7,275,000</u>	<u>\$ 2,191,401</u>	<u>\$ 5,083,599</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 2,055,000	\$ 19,160,000	\$ 2,055,000 *	\$ 19,160,000
<u>Direct Borrowings</u>				
Notes payable	136,401	0	61,683	74,718
Total Long-Term Debt	<u>\$ 2,191,401</u>	<u>\$ 19,160,000</u>	<u>\$ 2,116,683</u>	<u>\$ 19,234,718</u>

- Includes \$1,115,000 early retirement of bonded debt – See Note 11.

	Balance January 01, 2020	Issued	Retired	Balance December 31, 2020
Bonds payable	\$ 3,095,000	\$ 0	\$ 1,040,000	\$ 2,055,000
<u>Direct Borrowings</u>				
Notes payable	195,968	0	59,567	136,401
Total Long-Term Debt	<u>\$ 3,290,968</u>	<u>\$ 0</u>	<u>\$ 1,099,567</u>	<u>\$ 2,191,401</u>

Debt Service Requirements to Maturity

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

Years Ending December 31, 2021	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 490,000	\$ 389,518	\$ 879,518	\$ 63,863	\$ 1,586	\$ 65,449
2023	475,000	375,043	850,043	10,855	48	10,903
2024	490,000	360,568	850,568			
2025	500,000	348,193	848,193			
2026	515,000	337,833	852,833			
2027 through 2031	2,700,000	1,564,275	4,264,275			
2032 through 2036	2,960,000	1,289,856	4,249,856			
2037 through 2041	3,290,000	961,686	4,251,686			
2042 through 2046	3,675,000	563,638	4,238,638			
2047 through 2051	4,065,000	173,056	4,238,056			
Totals	<u>\$ 19,160,000</u>	<u>\$ 6,363,666</u>	<u>\$ 25,523,666</u>	<u>\$ 74,718</u>	<u>\$ 1,634</u>	<u>\$ 76,352</u>

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10: Commitments (Continued)

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

Years Ending December 31, 2020	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 335,000	\$ 59,476	\$ 394,476	\$ 61,684	\$ 3,765	\$ 65,449
2021	350,000	57,219	407,219	63,863	1,586	65,449
2022	95,000	50,247	145,247	10,854	48	10,902
2023	100,000	46,713	146,713			
2024	105,000	42,997	147,997			
2025 through 2029	575,000	154,509	729,509			
2030 through 2034	495,000	37,300	532,300			
Totals	<u>\$ 2,055,000</u>	<u>\$ 448,461</u>	<u>\$ 2,503,461</u>	<u>\$ 136,401</u>	<u>\$ 5,399</u>	<u>\$ 141,800</u>

NOTE 11: Debt Refunding

On June 23, 2021, the City issued \$8,265,000 in Sales and Use Tax Refunding and Improvement Bonds, Series 2021A, with interest rates of 0.75 - 3.00 percent to advance refund \$1,115,000 of outstanding bonds issued on March 1, 2012, with interest rates of 1.8 - 3.75 percent.

Bond proceeds of \$782,771 and additional city funds of \$332,229 were deposited with an escrow agent to advance refund the 2012 bonds and pay related interest and fees.

Bond proceeds of \$7,022,706 were issued to finance the cost of capital improvements and betterments for the City, including the cost of improvements to existing streets, park facilities and equipment, and drainage and flood control infrastructure. Bond proceeds of \$186,068 were used to establish a debt service reserve. The remaining proceeds of \$273,455 were used for underwriting and issue costs. The 2012 bonds were called on June 23, 2021.

NOTE 12: Interfund Transfers

In 2021, the General Fund transferred \$140,000 to Other Funds in the Aggregate's Local Police and Fire Retirement (LOPFI) to supplement operations, \$819,800 to Other Funds in the Aggregate's Police and Fire Payroll to supplement payroll, and \$200 to Other Funds in the Aggregate's Firemen's Pension to supplement pension operations.

The Other Funds in the Aggregate's 2014 Sales and Use Tax Bond Fund transferred \$132,431 to the Other Funds in the Aggregate's Arkansas Sales and Use Tax Bonds, Series 2021B Fund to supplement debt service. The Other Funds in the Aggregate's 2012 Sales and Use Tax Bond Fund transferred \$23,440 to the Other Funds in the Aggregate's Arkansas Sales and Use Tax Refunding Bonds, Series 2021A Fund to supplement debt service.

In 2020, the General Fund transferred \$135,000 to Other Funds in the Aggregate's Local Police and Fire Retirement (LOPFI) to supplement operations, and \$745,543 to Other Funds in the Aggregate's Police and Fire Payroll to supplement payroll.

NOTE 13: Pledged Revenues

The City pledged future 3/4% sales and use taxes to repay \$8,265,000 in bonds that were issued in 2021 to provide funding for street, park and drainage improvements, and to refund the 2012 Series Bonds that were issued for financing street, water, sewer and drainage improvements. Total principal and interest remaining on the bonds at December 31, 2021 are \$8,265,000 and \$2,753,319, respectively, payable through December 1, 2051. For 2021, interest paid was \$73,454.

The Debt Service Fund received \$422,551 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for early retirement of the bonds until they are repaid.

The City pledged future 1% sales and use taxes to repay \$10,895,000 in bonds that were issued in 2021 to provide funding for improvements to the fire department, and water and sewer infrastructure. Total principal and interest remaining on the bonds at December 31, 2021 are \$10,895,000 and \$3,610,347 respectively, payable through June 1, 2051. For 2021, interest paid was \$100,727.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 13: Pledged Revenues (Continued)

The Debt Service Fund received \$563,401 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for early retirement of bonds until they are repaid.

The City pledged future 3/4% sales and use taxes to repay \$3,600,000 in bonds that were issued in 2012 to provide funding for street, water, sewer, and drainage improvements. Total principal and interest remaining on the bonds at December 31, 2020 are \$1,555,000 and \$441,328, respectively, payable through April 1, 2036. For 2020, principal and interest paid were \$410,000 and \$65,269, respectively, which included an extra principal call of \$320,000 that resulted in interest savings of \$194,400.

The Debt Service Fund received \$522,182 in sales taxes in 2020. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for early retirement of the bonds until they are repaid.

The City pledged a future one cent sales and use tax to repay \$3,375,000 in bonds that were issued in 2014 to refund bonds issued in 2006 and 2009 to finance a portion of the cost of sewer improvements. Total principal and interest remaining on the bonds at December 31, 2020 are \$500,000 and \$7,133, respectively, payable through December 1, 2024. For 2020, principal and interest paid were \$630,000 and \$31,634, respectively, which included an extra principal call of \$385,000 that resulted in interest savings of \$70,583.

The Debt Service Fund received \$696,242 in sales tax in 2020. Any sales tax collected in excess of the debt service payments on this bond issue is required to be used for the early retirement of the bonds until they are repaid.

NOTE 14: Joint Venture

Washington County Ambulance Authority

Washington County and the Cities of Elkins, Fayetteville, Farmington, Goshen, Greenland, Lincoln, Prairie Grove, West Fork, Winslow, and Johnson entered into an agreement, on March 21, 2008, pursuant to Ark Code Ann. §§ 14-14-910, 14-266-102, and 25-20-101 to establish the Washington County Ambulance Authority (Authority). The purpose of the Authority is to provide emergency and non-emergency medical services. The City paid the Authority \$37,115 and \$26,543 during 2021 and 2020, respectively.

NOTE 15: Jointly Governed Organization – Fourth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourth Judicial District, the Washington County Sheriff's Department, Madison County Sheriff's Department, and the Police Departments of the University of Arkansas, Fayetteville, Springdale, Prairie Grove, Lincoln, Farmington, Johnson, Elkins, Greenland, West Fork, Elm Springs, Tontitown, Huntsville, and Goshen entered into an agreement to establish the Fourth Judicial District Drug Task Force. Funding was provided through Justice Assistance Grants and local funding provided by the Prosecuting Attorney's Office, Washington County Sheriff's Department, and local police departments. Separate financial statements for the Fourth Judicial District Drug Task Force were not available. The City did not contribute any funding to the Task Force during 2021 or 2020.

NOTE 16: 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.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 16: 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 participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. Even though the APERMA property program limits are blanket, the City's property limits are tied back to the insurance statement of values. The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered city property.

Vehicle Program

- A. Liability - This program may pay all sums the City legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered city vehicle and for which the City is liable. The limit of payment for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered city vehicles owned or leased by the City.
- B. Physical Damage - This program covers vehicles and mobile equipment which are the property of the participating city. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Police Department vehicles and \$500 for all other covered vehicles and mobile equipment. The City agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the city government of a participating city and pay judgments imposed on City officials and employees and the city government and city-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

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 PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 17: Firemen's Pension and Relief Plan

Plan Description

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

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was \$0 and \$0 for the years ended December 31, 2021 and December 31, 2020, respectively. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. Based on the December 31, 2021 and December 31, 2020 actuarial valuations, the plan has no net pension liability.

Deferred Retirement Option Plan

The local firemen's pension and relief board of trustees approved the participation in the Arkansas Fire Fighter's Deferred Retirement Option Plan (DROP). Any full-paid fire fighter who is a member of the firemen's pension and relief fund who has at least 20 years of credited service and who is eligible to receive a service retirement pension may elect to participate in the plan. The duration of participation shall not exceed 5 years, except in certain circumstances as allowed by law.

When a member begins participation in the DROP, the contribution of the fire fighter and the employer contribution shall continue to be paid. Municipal matching contributions for employees who elect the DROP shall be credited equally to the firemen's pension and relief fund and to the deferred retirement plan. The monthly retirement benefits that would have been due had the member elected to cease employment and receive a service retirement shall be paid into the DROP account.

At the end of the five years, the participant has certain options regarding the method of payment.

At the conclusion of the member's participation, the member shall terminate employment with all participating municipalities as a fire fighter and start receiving the member's accrued monthly retirement benefit from the firemen's pension and relief fund.

**NOTE 18: 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.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 18: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan) (Continue)**

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 \$0 and \$0 for the years ended December 31, 2021 and December 31, 2020, respectively, the amount of insurance tax paid by the state to the plan for the benefit of the City was \$103,863 and \$88,819 for the years ended December 31, 2021 and December 31, 2020, respectively.

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 and December 31, 2020 (actuarial valuation date and measurement date) was \$1,364,920 and \$1,750,289, respectively.

NOTE 19: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was \$188,068 and \$175,652 for the years ended June 30, 2021 and June 30, 2020, respectively.

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 and June 30, 2020 (actuarial valuation date and measurement date) was \$472,645 and \$1,682,707, respectively.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 20: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid a former Clerk/Treasurer Carol Pair \$900 and \$900, respectively, for the years ended December 31, 2021 and December 31, 2020.

NOTE 21: 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 2020 (COVID-19). In 2020, the City Received \$175,348 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The City was awarded \$1,396,399 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,396,399 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

	SPECIAL REVENUE FUNDS					
	Local Police and Fire Retirement (LOPFI)	Parks and Library Operations	District Court Automation	Police and Fire Payroll	Jail Fees	American Rescue Plan Act
ASSETS						
Cash and cash equivalents	\$ 10,876	\$ 200,893	\$ 92,592	\$ 1	\$ 931	\$ 326,759
Investments						
Accounts receivable		19,125		38,249		
Interfund receivables				8,003		
TOTAL ASSETS	<u>\$ 10,876</u>	<u>\$ 220,018</u>	<u>\$ 92,592</u>	<u>\$ 46,253</u>	<u>\$ 931</u>	<u>\$ 326,759</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			\$ 3,562	\$ 43,613		
Interfund payables				2,640		
Settlements pending						
Total Liabilities			<u>3,562</u>	<u>46,253</u>		
Fund Balances:						
Restricted		\$ 220,018	89,030		\$ 931	\$ 326,759
Assigned	<u>\$ 10,876</u>					
Total Fund Balances	<u>10,876</u>	<u>220,018</u>	<u>89,030</u>		<u>931</u>	<u>326,759</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,876</u>	<u>\$ 220,018</u>	<u>\$ 92,592</u>	<u>\$ 46,253</u>	<u>\$ 931</u>	<u>\$ 326,759</u>

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

Schedule 1

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS		TRUST FUND	CUSTODIAL FUND	
	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Bonds, Series 2021B	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Bonds, Series 2021B	Firemen's Pension	District Court	Totals
ASSETS							
Cash and cash equivalents	\$ 6,657,737	\$ 9,227,034	\$ 540,141	\$ 806,758	\$ 23,479	\$ 10,670	\$ 17,897,871
Investments					372,139		372,139
Accounts receivable			57,374	76,498			191,246
Interfund receivables							8,003
TOTAL ASSETS	<u>\$ 6,657,737</u>	<u>\$ 9,227,034</u>	<u>\$ 597,515</u>	<u>\$ 883,256</u>	<u>\$ 395,618</u>	<u>\$ 10,670</u>	<u>\$ 18,469,259</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 47,175
Interfund payables							2,640
Settlements pending						\$ 10,670	10,670
Total Liabilities						<u>10,670</u>	<u>60,485</u>
Fund Balances:							
Restricted	\$ 6,657,737	\$ 9,227,034	\$ 597,515	\$ 883,256	\$ 395,618		18,397,898
Assigned							10,876
Total Fund Balances	<u>6,657,737</u>	<u>9,227,034</u>	<u>597,515</u>	<u>883,256</u>	<u>395,618</u>		<u>18,408,774</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,657,737</u>	<u>\$ 9,227,034</u>	<u>\$ 597,515</u>	<u>\$ 883,256</u>	<u>\$ 395,618</u>	<u>\$ 10,670</u>	<u>\$ 18,469,259</u>

CITY OF PRAIRIE GROVE, 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						CAPITAL PROJECTS FUNDS		
	Local Police and Fire Retirement (LOPFI)	Parks and Library Operations	District Court Automation	Police and Fire Payroll	Jail Fees	American Rescue Plan Act	2012 Sales and Use Tax Construction	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Bonds, Series 2021B
REVENUES									
State aid									
Federal aid						\$ 698,204			
Sales taxes		\$ 207,471		\$ 414,942					
Fines, forfeitures, and costs	\$ 7,212		\$ 24,462		\$ 7,130				
Interest	19	113	48	8	2	86		\$ 173	\$ 331
Net increase/(decrease) in fair value of investments									
Other			209						
TOTAL REVENUES	7,231	207,584	24,719	414,950	7,132	698,290		173	331
EXPENDITURES									
Current:									
General government				17,557		91,874			
Law enforcement	114,361		31,616	939,547	10,421	114,631			
Highways and streets						18,377		325,142	
Public safety	30,100			277,646		53,074			726,318
Sanitation						15,881			
Recreation and culture		133,675						40,000	
Wastewater							\$ 212		351,716
Water						77,694			41,760
Total Current	144,461	133,675	31,616	1,234,750	10,421	371,531	212	365,142	1,119,794
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	144,461	133,675	31,616	1,234,750	10,421	371,531	212	365,142	1,119,794
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(137,230)	73,909	(6,897)	(819,800)	(3,289)	326,759	(212)	(364,969)	(1,119,463)
OTHER FINANCING SOURCES (USES)									
Transfers in	140,000			819,800					
Transfers out									
Bond proceeds								7,022,706	10,346,497
Payments to refunding bonds escrow agent									
TOTAL OTHER FINANCING SOURCES (USES)	140,000			819,800				7,022,706	10,346,497
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,770	73,909	(6,897)		(3,289)	326,759	(212)	6,657,737	9,227,034
FUND BALANCES - JANUARY 1	8,106	146,109	95,927		4,220		212		
FUND BALANCES - DECEMBER 31	<u>\$ 10,876</u>	<u>\$ 220,018</u>	<u>\$ 89,030</u>	<u>\$ 0</u>	<u>\$ 931</u>	<u>\$ 326,759</u>	<u>\$ 0</u>	<u>\$ 6,657,737</u>	<u>\$ 9,227,034</u>

CITY OF PRAIRIE GROVE, 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

	DEBT SERVICE FUNDS				TRUST FUND	
	2014 Sales and Use Tax Refunding Bond	2012 Sales and Use Tax Bond	Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Arkansas Sales and Use Tax Bonds, Series 2021B	Firemen's Pension	Totals
REVENUES						
State aid					\$ 2,522	\$ 2,522
Federal aid						698,204
Sales taxes	\$ 266,482	\$ 199,862	\$ 422,551	\$ 563,401		2,074,709
Fines, forfeitures, and costs						38,804
Interest	48	1,861	9	23	18,466	21,187
Net increase/(decrease) in fair value of investments					18,742	18,742
Other						209
TOTAL REVENUES	266,530	201,723	422,560	563,424	39,730	2,854,377
EXPENDITURES						
Current:						
General government			234,554	251,315		595,300
Law enforcement						1,210,576
Highways and streets						343,519
Public safety					21,925	1,109,063
Sanitation						15,881
Recreation and culture						173,675
Wastewater						351,928
Water						119,454
Total Current			234,554	251,315	21,925	3,919,396
Debt Service:						
Bond principal	500,000	440,000				940,000
Bond interest and other charges	9,370	38,701	73,454	109,787		231,312
TOTAL EXPENDITURES	509,370	478,701	308,008	361,102	21,925	5,090,708
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(242,840)	(276,978)	114,552	202,322	17,805	(2,236,331)
OTHER FINANCING SOURCES (USES)						
Transfers in			23,440	132,431	200	1,115,871
Transfers out	(132,431)	(23,440)				(155,871)
Bond proceeds			1,242,294	548,503		19,160,000
Payments to refunding bonds escrow agent		(332,229)	(782,771)			(1,115,000)
TOTAL OTHER FINANCING SOURCES (USES)	(132,431)	(355,669)	482,963	680,934	200	19,005,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(375,271)	(632,647)	597,515	883,256	18,005	16,768,669
FUND BALANCES - JANUARY 1	375,271	632,647			377,613	1,640,105
FUND BALANCES - DECEMBER 31	\$ 0	\$ 0	\$ 597,515	\$ 883,256	\$ 395,618	\$ 18,408,774

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

Schedule 3

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND
	Local Police and Fire Retirement (LOPFI)	Parks and Library Operations	District Court Automation	Police and Fire Payroll	Jail Fees	2012 Sales and Use Tax Construction
ASSETS						
Cash and cash equivalents	\$ 8,106	\$ 130,204	\$ 97,824	\$ 1	\$ 4,220	\$ 212
Investments						
Accounts receivable		15,905		31,810		
Interfund receivables				7,431		
TOTAL ASSETS	<u>\$ 8,106</u>	<u>\$ 146,109</u>	<u>\$ 97,824</u>	<u>\$ 39,242</u>	<u>\$ 4,220</u>	<u>\$ 212</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			\$ 1,897	\$ 39,242		
Settlements pending						
Total Liabilities			<u>1,897</u>	<u>39,242</u>		
Fund Balances:						
Restricted		\$ 146,109	95,927		\$ 4,220	\$ 212
Assigned	\$ 8,106					
Total Fund Balances	<u>8,106</u>	<u>146,109</u>	<u>95,927</u>		<u>4,220</u>	<u>212</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,106</u>	<u>\$ 146,109</u>	<u>\$ 97,824</u>	<u>\$ 39,242</u>	<u>\$ 4,220</u>	<u>\$ 212</u>

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

Schedule 3

	DEBT SERVICE FUNDS		TRUST FUND	CUSTODIAL FUND	
	2014 Sales and Use Tax Refunding Bond	2012 Sales and Use Tax Bond	Firemen's Pension	District Court	Totals
ASSETS					
Cash and cash equivalents	\$ 311,650	\$ 584,931	\$ 9,215	\$ 7,184	\$ 1,153,547
Investments			368,398		368,398
Accounts receivable	63,621	47,716			159,052
Interfund receivables					7,431
TOTAL ASSETS	<u>\$ 375,271</u>	<u>\$ 632,647</u>	<u>\$ 377,613</u>	<u>\$ 7,184</u>	<u>\$ 1,688,428</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					\$ 41,139
Settlements pending				\$ 7,184	7,184
Total Liabilities				<u>7,184</u>	<u>48,323</u>
Fund Balances:					
Restricted	\$ 375,271	\$ 632,647	\$ 377,613		1,631,999
Assigned					8,106
Total Fund Balances	<u>375,271</u>	<u>632,647</u>	<u>377,613</u>		<u>1,640,105</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 375,271</u>	<u>\$ 632,647</u>	<u>\$ 377,613</u>	<u>\$ 7,184</u>	<u>\$ 1,688,428</u>

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

Schedule 4

	SPECIAL REVENUE FUNDS				
	Local Police and Fire Retirement (LOPFI)	Parks and Library Operations	District Court Automation	Police and Fire Payroll	Jail Fees
REVENUES					
State aid					
Federal aid		\$ 140,000			
Sales taxes		174,061		\$ 373,873	
Fines, forfeitures, and costs	\$ 7,211		\$ 24,355		\$ 4,275
Interest	50	351	102	9	1
Net increase/(decrease) in fair value of investments					
Other			265	6,897	
TOTAL REVENUES	7,261	314,412	24,722	380,779	4,276
EXPENDITURES					
Current:					
General government				28,793	
Law enforcement	107,255		36,655	823,784	56
Public safety	31,179			289,358	
Recreation and culture		314,219			
Wastewater					
Total Current	138,434	314,219	36,655	1,141,935	56
Debt Service:					
Bond principal					
Bond interest and other charges					
TOTAL EXPENDITURES	138,434	314,219	36,655	1,141,935	56
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(131,173)	193	(11,933)	(761,156)	4,220
OTHER FINANCING SOURCES (USES)					
Transfers in	135,000			745,543	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,827	193	(11,933)	(15,613)	4,220
FUND BALANCES - JANUARY 1	4,279	145,916	107,860	15,613	
FUND BALANCES - DECEMBER 31	\$ 8,106	\$ 146,109	\$ 95,927	\$ 0	\$ 4,220

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

Schedule 4

	CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS		TRUST FUND	
	2012 Sales and Use Tax Construction	2014 Sales and Use Tax Refunding Bond	2012 Sales and Use Tax Bond	Firemen's Pension	Totals
REVENUES					
State aid				\$ 2,460	\$ 2,460
Federal aid					140,000
Sales taxes		\$ 696,242	\$ 522,182		1,766,358
Fines, forfeitures, and costs					35,841
Interest	\$ 212	1,296	17,305	10,705	30,031
Net increase/(decrease) in fair value of investments				31,253	31,253
Other					7,162
TOTAL REVENUES	212	697,538	539,487	44,418	2,013,105
EXPENDITURES					
Current:					
General government					28,793
Law enforcement					967,750
Public safety				22,024	342,561
Recreation and culture					314,219
Wastewater	245,117				245,117
Total Current	245,117			22,024	1,898,440
Debt Service:					
Bond principal		630,000	410,000		1,040,000
Bond interest and other charges		36,583	79,154		115,737
TOTAL EXPENDITURES	245,117	666,583	489,154	22,024	3,054,177
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(244,905)	30,955	50,333	22,394	(1,041,072)
OTHER FINANCING SOURCES (USES)					
Transfers in					880,543
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(244,905)	30,955	50,333	22,394	(160,529)
FUND BALANCES - JANUARY 1	245,117	344,316	582,314	355,219	1,800,634
FUND BALANCES - DECEMBER 31	\$ 212	\$ 375,271	\$ 632,647	\$ 377,613	\$ 1,640,105

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2021 AND 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Parks and Library Operations	Prairie Grove Ordinance no. 1998-16 (September 28, 1998) established the Parks and Library Operations Fund to account for a 1/4% sales tax levy approved by the voters on November 3, 1998.
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.
Police and Fire Payroll	Prairie Grove Ordinance no. 2018-13 (July 16, 2018) established the Police and Fire Payroll Fund to account for a 1/2% sales tax levy approved by the voters on November 6, 2018.
Jail Fees	Prairie Grove Ordinance 2019-35 (November 18, 2019) established a Jail Fee fund in accordance with Arkansas Code Ann. § 16-17-129
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.
2012 Sales and Use Tax Construction	Prairie Grove Ordinance no. 2012-12 (February 7, 2012) established a Capital Projects Fund for street improvements, water improvements, sewer improvements, and drainage improvements.
Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Prairie Grove Ordinance 2021-12 (May 17, 2021) authorized the issuance of refunding and improvement sales tax bonds to refinance the Series 2012 bonds, and to finance all or a portion of the cost of improvements to existing streets, park facilities and equipment, and improvements to drainage and flood control infrastructure and related equipment.
Arkansas Sales and Use Tax Bonds, Series 2021B	Prairie Grove Ordinance 2021-13 (May 17, 2021) authorized the issuance of sales tax bonds to finance all or a portion of the cost of improvements to fire apparatus and equipment, improvements and betterments to the City water system, and improvements and betterments to the City sewer system.

CITY OF PRAIRIE GROVE, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2021 AND 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
2014 Sales and Use Tax Refunding Bond	Established by bond indenture to account for the accumulation of resources to be used for the payment of long term debt principal, interest, and fiscal agent fees for Series 2014 Sales and Use Tax Bond issue.
2012 Sales and Use Tax Bond	Established by bond indenture to account for the accumulation of resources to be used for the payment of long term debt principal, interest, and fiscal agent fees for Series 2012 Sales and Use Tax Bond issue.
Arkansas Sales and Use Tax Refunding Bonds, Series 2021A	Established by bond indenture to account for the accumulation of resources to be used for the payment of long term debt principal, interest, and fiscal agent fees for Series 2021A Arkansas Sales and Use Tax Refunding Bond issue.
Arkansas Sales and Use Tax Bonds, Series 2021B	Established by bond indenture to account for the accumulation of resources to be used for the payment of long term debt principal, interest, and fiscal agent fees for Series 2021B Arkansas Sales and Use Tax Bond issue.
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

CITY OF PRAIRIE GROVE, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2021 AND 2020
(Unaudited)

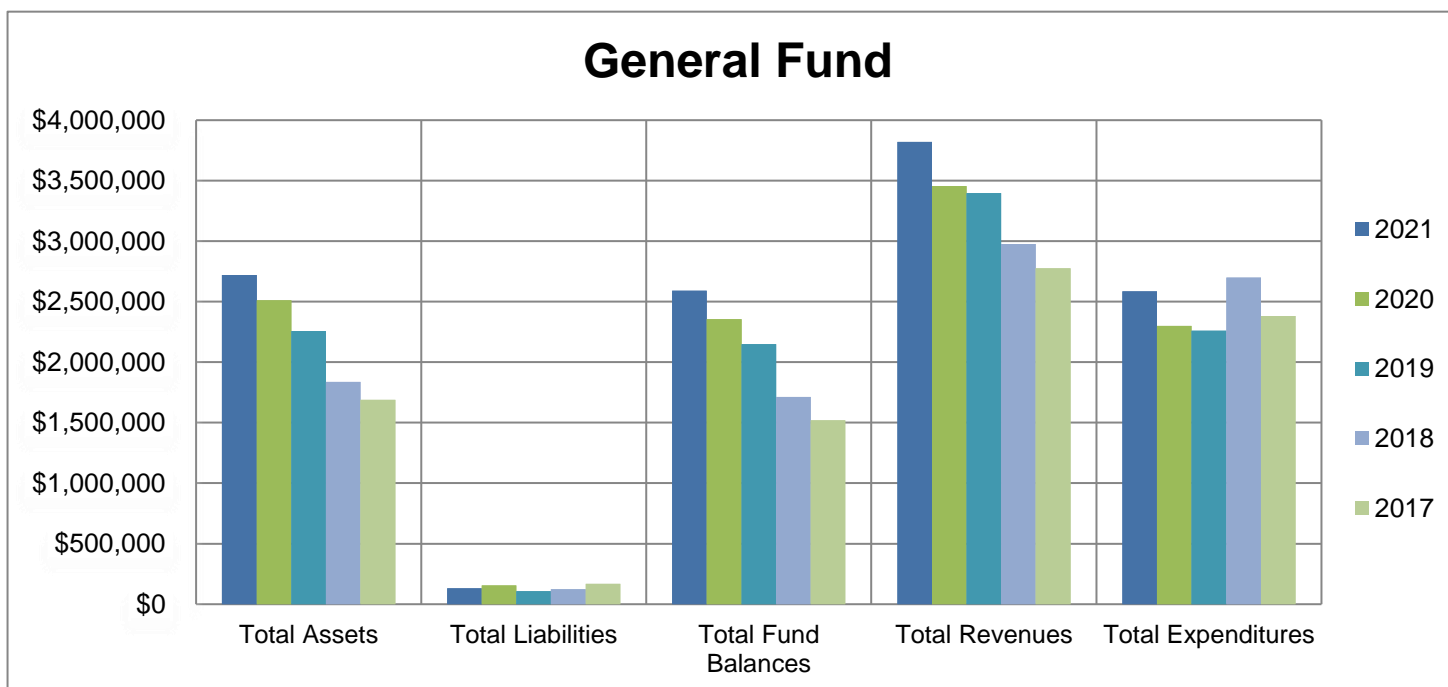
Schedule 5

	December 31, 2021	December 31, 2020
	<u> </u>	<u> </u>
Land	\$ 341,358	\$ 341,358
Buildings	4,767,173	4,806,685
Equipment	2,686,787	2,410,287
Construction in progress	<u>203,117</u>	<u> </u>
	<u> </u>	<u> </u>
Total	<u><u>\$ 7,998,435</u></u>	<u><u>\$ 7,558,330</u></u>

CITY OF PRAIRIE GROVE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020
(Unaudited)

Schedule 6-1

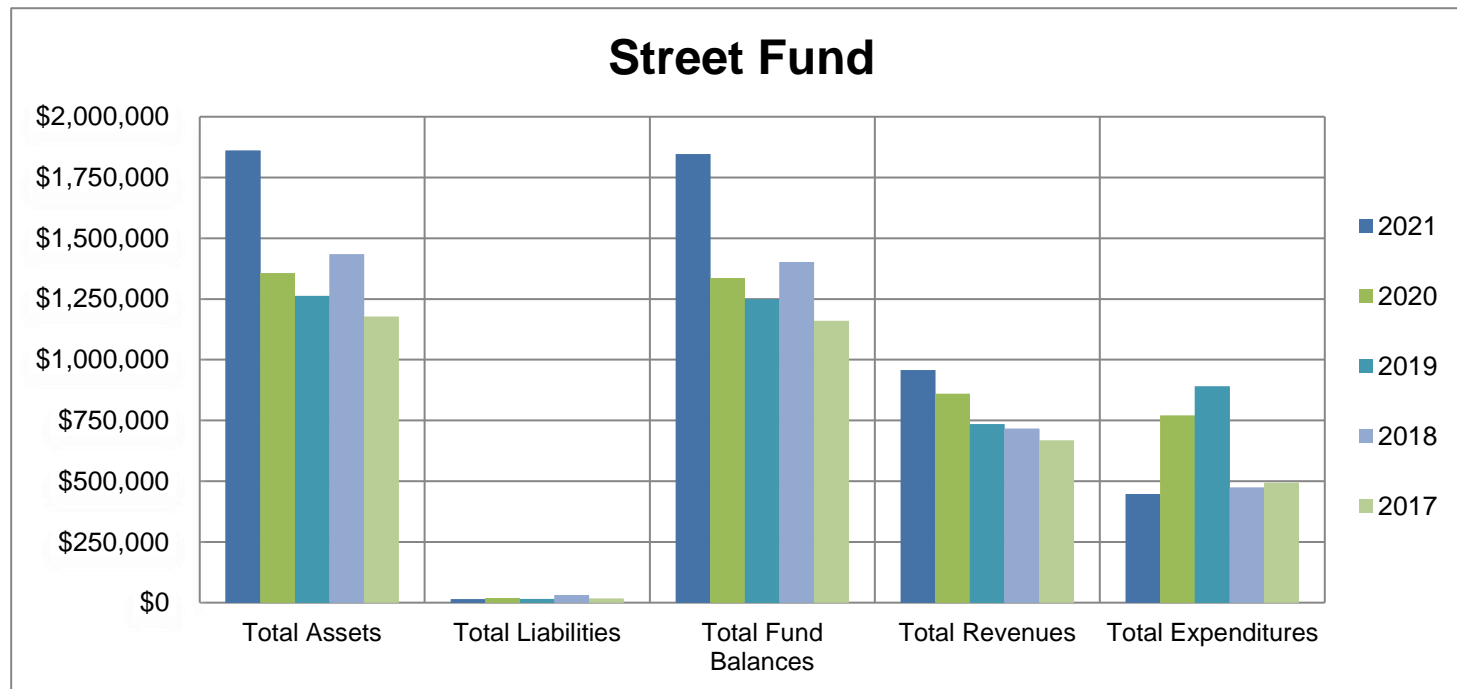
General	2021	2020	2019	2018	2017
Total Assets	\$ 2,721,444	\$ 2,510,836	\$ 2,257,959	\$ 1,835,835	\$ 1,688,477
Total Liabilities	130,834	155,338	108,118	122,281	168,582
Total Fund Balances	2,590,610	2,355,498	2,149,841	1,713,554	1,519,895
Total Revenues	3,820,875	3,455,331	3,397,481	2,977,773	2,774,716
Total Expenditures	2,585,021	2,299,392	2,259,444	2,697,835	2,381,176
Total Other Financing Sources/Uses	(1,000,742)	(950,282)	(701,750)	(86,279)	(57,000)



CITY OF PRAIRIE GROVE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020
(Unaudited)

Schedule 6-2

<u>Street</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 1,860,248	\$ 1,356,176	\$ 1,262,716	\$ 1,434,044	\$ 1,176,975
Total Liabilities	14,502	19,702	15,063	31,283	16,878
Total Fund Balances	1,845,746	1,336,474	1,247,653	1,402,761	1,160,097
Total Revenues	956,828	859,326	734,530	716,234	666,727
Total Expenditures	447,556	770,505	889,638	473,570	493,230
Total Other Financing Sources/Uses					



CITY OF PRAIRIE GROVE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020
(Unaudited)

Schedule 6-3

<u>Other Funds in the Aggregate</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 18,469,259	\$ 1,688,428	\$ 1,926,965	\$ 1,845,762	\$ 1,975,918
Total Liabilities	60,485	48,323	126,331	26,813	13,562
Total Fund Balances	18,408,774	1,640,105	1,800,634	1,818,949	1,962,356
Total Revenues	2,854,377	2,013,105	1,637,646	1,261,505	1,079,492
Total Expenditures	5,090,708	3,054,177	2,357,711	1,491,191	1,057,254
Total Other Financing Sources/Uses	19,005,000	880,543	701,750	86,279	57,000

