

City of Centerton, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CENTERTON, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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>
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
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
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
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Street Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	4-3



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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Centerton, Arkansas as of December 31, 2021; the regulatory basis revenues, expenditures, and changes in net position; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Centerton, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
October 18, 2022
LOM119221

Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

City of Centerton, 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 Centerton, Arkansas (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated October 18, 2022. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of 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 October 18, 2022.

Purpose of This Report

The purpose of this report is solely to described the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, reading "Timothy R. Jones". The signature is fluid and cursive, with the first name "Timothy" being more prominent and the last name "Jones" following in a similar style.

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
October 18, 2022

Arkansas

Sen. Ronald Caldwell
Senate Chair

Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair

Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

Mayor: Bill Edwards
Clerk/Treasurer: Todd Wright
District Court Clerk: Sara Lombard
Police Chief: Cody Harper
Finance Director: Pam Grant

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

Mayor

In late 2021, City personnel were made aware of questionable expenditures made by the former Public Works Director (Director), and the Centerton Police Department (Department) investigated this matter. Subsequently, the Director was charged, on December 16, 2021, with felony theft of property and fraudulent use of a credit or debit card in the amount of \$62,190. Our review of selected transactions included in the charged amount and select Public Works expenditures not included in the charged amount revealed an additional \$1,850 in expenditures that the Department identified as questionable.

The City disbursed \$2,500 to Ozark Regional Transit, Inc., without a contract for services, in apparent conflict with Ark. Const. art. 12, § 5.

Other Issues

Nine unauthorized withdrawals totaling \$34,841 were made from the City's bank account from June 22, 2021 through July 12, 2021. City personnel discovered the unauthorized withdrawals upon reconciliation of the affected bank account, and the funds were recovered from the bank.

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, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
October 18, 2022

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 7,007,126	\$ 1,851,869	\$ 4,612,011
Investments			1,575,895
Accounts receivable	879,749	53,174	264,421
	<u>879,749</u>	<u>53,174</u>	<u>264,421</u>
TOTAL ASSETS	<u>\$ 7,886,875</u>	<u>\$ 1,905,043</u>	<u>\$ 6,452,327</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 190,197	\$ 23,744	\$ 10,593
Settlements pending		310,169	39,499
Total Liabilities	<u>190,197</u>	<u>333,913</u>	<u>50,092</u>
Fund Balances:			
Restricted	297,639	1,571,130	6,402,235
Committed	11,030		
Assigned	31,396		
Unassigned	7,356,613		
Total Fund Balances	<u>7,696,678</u>	<u>1,571,130</u>	<u>6,402,235</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,886,875</u>	<u>\$ 1,905,043</u>	<u>\$ 6,452,327</u>

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

CITY OF CENTERTON, 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	\$ 192,337	\$ 950,498	\$ 31,850
Federal aid	37,451		1,682,733
Property taxes	1,367,669	259,915	109,408
Franchise fees	792,398		
Sales taxes	5,911,568		2,400,478
Fines, forfeitures, and costs	302,883		63,515
Interest	547	73	209,336
Local permits and fees	1,204,735	114,697	
Advertising and promotion taxes	2		261,493
Donations	9,532		275
Grants	348,600		
Net increase/(decrease) in fair value of investments			(33,364)
Other	184,460	54,544	16,355
TOTAL REVENUES	10,352,182	1,379,727	4,742,079
EXPENDITURES			
Current:			
General government	2,147,135		4,044,465
Law enforcement	2,717,762		184,918
Highways and streets	931,940	895,782	504,844
Public safety	2,406,314		271,538
Recreation and culture	941,820		148,670
Advertising and promotion			9,055
Cemetery			1,966
Total Current	9,144,971	895,782	5,165,456
Debt Service:			
Bond principal			1,921,928
Bond interest and other charges			343,283
Lease principal		36,472	
Lease interest		967	
Note principal	59,892	25,345	
Note interest	6,761	2,591	
TOTAL EXPENDITURES	9,211,624	961,157	7,430,667

CITY OF CENTERTON, 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>\$ 1,140,558</u>	<u>\$ 418,570</u>	<u>\$ (2,688,588)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			532,661
Transfers out			(532,661)
Contribution to water department			(132,996)
Bond proceeds			<u>1,060,000</u>
TOTAL OTHER FINANCING SOURCES (USES)			<u>927,004</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,140,558	418,570	(1,761,584)
FUND BALANCES - JANUARY 1	<u>6,556,120</u>	<u>1,152,560</u>	<u>8,163,819</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 7,696,678</u></u>	<u><u>\$ 1,571,130</u></u>	<u><u>\$ 6,402,235</u></u>

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

CITY OF CENTERTON, 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	\$ 178,736	\$ 192,337	\$ 13,601	\$ 651,778	\$ 950,498	\$ 298,720
Federal aid		37,451	37,451			
Property taxes	1,345,342	1,367,669	22,327	170,000	259,915	89,915
Franchise fees	787,279	792,398	5,119			
Sales taxes	5,745,488	5,911,568	166,080			
Fines, forfeitures, and costs	304,914	302,883	(2,031)			
Interest	548	547	(1)	73	73	0
Local permits and fees	1,210,625	1,204,735	(5,890)		114,697	114,697
Advertising and promotion taxes	2	2	0			
Donations	9,532	9,532	0			
Grants	379,710	348,600	(31,110)			
Other	173,935	184,460	10,525	49,168	54,544	5,376
TOTAL REVENUES	10,136,111	10,352,182	216,071	871,019	1,379,727	508,708
EXPENDITURES						
Current:						
General government	2,135,751	2,147,135	(11,384)			
Law enforcement	2,879,746	2,717,762	161,984			
Highways and streets	1,002,778	931,940	70,838	1,192,606	895,782	296,824
Public safety	2,565,672	2,406,314	159,358			
Recreation and culture	980,112	941,820	38,292			
Total Current	9,564,059	9,144,971	419,088	1,192,606	895,782	296,824
Debt Service:						
Lease principal				96,000	36,472	59,528
Lease interest					967	(967)
Note principal		59,892	(59,892)	25,000	25,345	(345)
Note interest		6,761	(6,761)	5,000	2,591	2,409
TOTAL EXPENDITURES	9,564,059	9,211,624	352,435	1,318,606	961,157	357,449
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	572,052	1,140,558	568,506	(447,587)	418,570	866,157
OTHER FINANCING SOURCES (USES)						
Transfers in	413,959		(413,959)	10,000		(10,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	986,011	1,140,558	154,547	(437,587)	418,570	856,157
FUND BALANCES - JANUARY 1	715,000	6,556,120	5,841,120	300,000	1,152,560	852,560
FUND BALANCES - DECEMBER 31	\$ 1,701,011	\$ 7,696,678	\$ 5,995,667	\$ (137,587)	\$ 1,571,130	\$ 1,708,717

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Centerton 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 Commission. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

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

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and street improvement funds 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. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

F. Budget Law

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

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

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 496,955	\$ 496,955
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	12,973,226	13,318,573
Total Deposits	<u>\$ 13,470,181</u>	<u>\$ 13,815,528</u>

The above total deposits do not include cash on hand of \$825.

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.

Pension Trust Funds

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2021 Fair Value
Pension Trust	<u>\$ 1,575,895</u>

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.)

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

NOTE 4: Public Fund Investments (Continued)

The City's investments are composed of the following:

<u>December 31, 2021</u>	Quoted Prices in Active Markets for Identical Investments Level I
<u>Investment Type</u>	
Mutual funds	<u>\$ 1,575,895</u>

The fair value of mutual funds is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources. As a result, these were classified as Level I inputs.

Ark. Code Ann. § 24-11-216 authorizes the Firemen's Pension Board of Trustees to have full power to invest and reinvest monies in accordance with the rules promulgated by the Arkansas Fire and Police Pension Review Board. The code also states the Board 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 2021 asset guidelines had been established as follows:

Investment Target Allocation

<u>Asset Allocation</u>	<u>Target</u>
Total equity	58%
Fixed income	37%
Real estate	0%
Cash equivalents	5%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The City has not adopted a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following summary details the maturity dates in years:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Bond mutual funds	<u>\$ 435,371</u>			<u>\$ 435,371</u>	

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is measured by the credit quality rating of investments in debt securities as described by nationally-recognized statistical rating organizations. The City exposure to credit risk as of December 31, 2021, is as follows:

	<u>Fair Value</u>
Bond Mutual Funds	
A+	<u>\$ 435,371</u>

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

NOTE 5: Accounts Receivable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid	\$ 13,600		
Federal aid	11,393		
Property taxes	142,838	\$ 27,141	\$ 11,427
Franchise fees	86,973		
Sales taxes	587,114		212,787
Fines, forfeitures, and costs	22,136		5,563
Local permits and fees	2,300		
Advertising and promotion taxes			25,372
Other	13,395	26,033	9,272
Totals	<u>\$ 879,749</u>	<u>\$ 53,174</u>	<u>\$ 264,421</u>

NOTE 6: Accounts Payable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 145,734	\$ 23,744	\$ 10,593
Payroll taxes payable	44,463		
Totals	<u>\$ 190,197</u>	<u>\$ 23,744</u>	<u>\$ 10,593</u>

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

NOTE 7: Details of Fund Balance Classifications

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,135,790
Law enforcement			219,327
Highways and streets		\$ 1,571,130	8,240
Public safety			31,363
Recreation and culture	\$ 297,639		302,933
Advertising and promotion			178,104
Cemetery			34,447
Pension benefits			1,630,506
Capital outlay			1,454,072
Debt service			1,407,453
Total Restricted	<u>297,639</u>	<u>1,571,130</u>	<u>6,402,235</u>
Committed for:			
Law enforcement	<u>11,030</u>		
Assigned to:			
Law enforcement	29,685		
Public safety	<u>1,711</u>		
Total Assigned	<u>31,396</u>		
Unassigned	<u>7,356,613</u>		
Totals	<u>\$ 7,696,678</u>	<u>\$ 1,571,130</u>	<u>\$ 6,402,235</u>

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2021, the legal debt limit for the bonded debt was \$54,846,447. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2021, the legal debt limit for short-term financing obligations was \$13,984,184. The amount of short-term financing obligations was \$252,836, leaving a legal debt margin of \$13,731,348.

NOTE 9: Commitments

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

	December 31, 2021
Long-term liabilities	\$ 10,364,358
Construction contracts	<u>486,674</u>
Total Commitments	<u>\$ 10,851,032</u>

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

NOTE 9: Commitments (Continued)

Long-term liabilities

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

	December 31, 2021
<u>Bonds</u>	
Centerton Ordinance no. 2017-53 (September 28, 2017) approved the issuance of City of Centerton, Sales and Use Tax Refunding and Improvement Bonds Series 2017A, dated November 1, 2017, in the amount of \$10,000,000, due in annual installments of \$80,000 - \$640,000 plus interest at 2.25 - 3.5% per annum with original maturity schedule due November 1st in the years 2027-2041; and Series 2017B, dated November 1, 2017, in the amount of \$2,975,000, due in annual installments of \$275,000 - \$335,000 plus interest at 1.9 - 3.55% per annum with maturity schedule due November 1st in the years 2018-2027. Proceeds are to be used to finance City Administrative Facilities, Street Improvements, Parks and Recreation Improvements, and Fire Department Facilities. Payments are to be made from the Debt Service Fund - Series 2017.	\$ 8,150,000
Centerton Ordinance no. 2020-02 (January 14, 2020) approved the issuance of City of Centerton, Sales and Use Tax Improvement Bonds Series 2020, dated February 19, 2020, in the amount of \$463,200, due in annual installments of \$20,000 - \$94,437 plus interest at 2.89% per annum with original maturity schedule due November 1st each year through 2024. Proceeds were used to finance improvements to the City Administrative Facilities. Payments are to be made from the Debt Service Fund - Series 2020.	203,389
Centerton Ordinance no. 2021-05 (January 12, 2021) approved the issuance of City of Centerton, Sales and Use Tax Improvement Bonds Series 2021, dated February 18, 2021, in the amount of \$1,060,000, due in annual installments of \$37,062 - \$153,290 plus interest at 2.21% per annum with original maturity schedule due November 1st each year through 2030. Proceeds were used to finance all or a portion of the costs of Fire Department Facilities. Payments are to be made from the Debt Service Fund - Series 2021.	897,279
Total Bonds	<u>9,250,668</u>
<u>Direct Borrowings</u>	
Promissory note payable dated November 19, 2018, with First Security Bank, for the purchase of a 2019 Kenworth T370 Dump Truck in the amount of \$126,513 to be paid in 59 monthly installments of \$2,328 beginning December 18, 2018, and a final installment of \$3,338 at 3.97% interest. Payments are to be made from the Street Fund.	51,454
Promissory note dated September 16, 2019, with First Security Bank in the amount of \$309,637 for the purchase of a radio system and related accessories; 59 monthly payments of \$5,554 and the final monthly payment of \$5,535, at 2.89% interest. Payments are to be made from the General Fund.	201,382
Total Direct Borrowings	<u>252,836</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	860,854
Total Long-term liabilities	<u>\$ 10,364,358</u>

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

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

NOTE 9: Commitments (Continued)

The City's outstanding bonds payable of \$9,250,668 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 \$252,836 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.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Bonds</u>					
11/1/17	11/1/27	2.25 - 3.5%	\$ 10,000,000	\$ 6,305,000	\$ 3,695,000
11/1/17	11/1/41	1.9 - 3.55%	2,975,000	1,845,000	1,130,000
2/19/20	11/1/24	2.89%	463,200	203,389	259,811
2/18/21	11/1/30	2.21%	1,060,000	897,279	162,721
Total Bonds			<u>14,498,200</u>	<u>9,250,668</u>	<u>5,247,532</u>
<u>Direct Borrowings</u>					
11/19/18	11/19/23	3.97%	126,513	51,454	75,059
9/16/19	9/16/24	2.89%	309,637	201,382	108,255
Total Direct Borrowings			<u>436,150</u>	<u>252,836</u>	<u>183,314</u>
Total Long-Term Debt			<u>\$ 14,934,350</u>	<u>\$ 9,503,504</u>	<u>\$ 5,430,846</u>

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 10,112,596	\$ 1,060,000	\$ 1,921,928	\$ 9,250,668
<u>Direct Borrowings</u>				
Notes payable	338,073	0	85,237	252,836
Capital leases	36,472	0	36,472	0
Total Direct Borrowings	<u>374,545</u>	<u>0</u>	<u>121,709</u>	<u>252,836</u>
Total Long-Term Debt	<u>\$ 10,487,141</u>	<u>\$ 1,060,000</u>	<u>\$ 2,043,637</u>	<u>\$ 9,503,504</u>

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

NOTE 9: Commitments (Continued)

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 424,892	\$ 293,215	\$ 718,107	\$ 88,016	\$ 6,574	\$ 94,590
2023	436,499	281,608	718,107	88,534	3,702	92,236
2024	403,984	269,123	673,107	65,309	1,344	66,653
2025	462,227	257,180	719,407	10,977	40	11,017
2026	475,985	243,423	719,408			
2027 through 2031	2,337,081	987,454	3,324,535			
2032 through 2036	2,200,000	621,887	2,821,887			
2037 through 2041	2,510,000	245,375	2,755,375			
Totals	<u>\$ 9,250,668</u>	<u>\$ 3,199,265</u>	<u>\$ 12,449,933</u>	<u>\$ 252,836</u>	<u>\$ 11,660</u>	<u>\$ 264,496</u>

Construction Contracts

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

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2021
Main Street Flood Plain Improvements	December 2024	\$ 11,859
Sidewalks on Gamble and Bliss	December 2023	13,916
McKissic Creek Flood Investigative Study Services	April 2023	4,464
New City Hall Project	February 2022	417,385
Sports Complex	March 2023	15,200
McKissic Creek Park - Allen Road Trail	December 2024	16,875
Fire Station	July 2023	6,975
Total Construction Contracts		<u>\$ 486,674</u>

NOTE 10: Prior Year Debt Refunding

On November 1, 2017, the City issued \$12,975,000 in sales and use tax refunding and improvement bonds for financing capital improvements and to advance refund \$4,345,000 of outstanding bonds dated January 15, 2015. The bonds dated January 15, 2015, will be called semiannually from March 1, 2018 through September 1, 2021, with a final scheduled principal payment of \$55,000 on March 1, 2022. These bonds were eliminated from the City's commitments in 2017.

The outstanding principal of the bonds advance refunded was \$55,000 at December 31, 2021. The balance remaining in the irrevocable trust with the escrow agent at December 31, 2021, was \$55,424.

NOTE 11: Interfund Transfers

Within Other Funds in the Aggregate, the City transferred \$207,135 from the Advertising and Promotion Fund to the Parks and Recreation Fund for operations, \$145,860 from the 2017 Refunding and Improvement Bonds – Debt Service Fund to the 2020 Improvement Bonds – Debt Service Fund for debt service payments, and \$179,666 from the 2017 Refunding and Improvement Bonds – Debt Service Fund to the 2021 Improvement Bonds – Debt Service Fund for debt service payments.

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

NOTE 12: Pledged Revenues

The City pledged future 1% sales and use taxes to repay \$14,498,200 in bonds that were issued in 2017, 2020, and 2021 to provide funding for Street and Parks and Recreation improvements, City Administrative Facilities, Fire Department Facilities, and refunding 2015 bond issues. Total principal and interest remaining on the bonds are \$9,250,668 and \$3,199,265, respectively, payable through November 1, 2041. For 2021, principal and interest paid were \$1,921,928 and \$329,383, respectively.

The Debt Service Fund received \$2,400,478 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for retirement of future bond principal.

NOTE 13: Jointly Governed Organization – Benton County Solid Waste District

Benton County and the Cities of Benton County entered into an interlocal agreement, pursuant to Ark. Code Ann. § 8-6-723, creating the Benton County Solid Waste District (BCSWD). The BCSWD was established in an effort to adequately, reliably, and economically dispose of the Cities' and County's solid waste. Payments totaling \$15,501 were made to the BCSWD during 2021 and future funding is to be at the rate of \$.50 per capita of the City. Financial statements may be obtained at: Benton County Solid Waste District, 5702 Brookshire Road, Bentonville, Arkansas, 72712.

NOTE 14: Risk Management

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

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

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

Municipal Vehicle Program

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

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

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

NOTE 14: Risk Management (Continued)

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

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

NOTE 15: 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 \$107,628 for the year ended December 31, 2021. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. Based on the December 31, 2021 actuarial valuation, the plan has a net pension liability of \$0.

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

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 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 CENTERTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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 \$365,469 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$224,974 for the year ended December 31, 2021.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2021 (actuarial valuation date and measurement date) was \$3,229,280.

NOTE 17: 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 \$280,274 for the year ended June 30, 2021.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$704,373.

NOTE 18: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The City was awarded \$3,365,446 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$3,365,446 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 CENTERTON, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS									
	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	District Court Automation	Parks and Recreation	Advertising and Promotion	Law Enforcement Grant	Highway Improvement (Act 1949)	Incarceration Fee	Cemetery Operation and Maintenance	American Rescue Plan Act
ASSETS										
Cash and cash equivalents	\$ 32,136	\$ 45,897	\$ 50,756	\$ 301,981	\$ 152,732	\$ 100	\$ 7,195	\$ 119,556	\$ 34,447	\$ 1,135,790
Investments										
Accounts receivable		1,340	1,253	9,272	25,372		1,045	1,925		
TOTAL ASSETS	<u>\$ 32,136</u>	<u>\$ 47,237</u>	<u>\$ 52,009</u>	<u>\$ 311,253</u>	<u>\$ 178,104</u>	<u>\$ 100</u>	<u>\$ 8,240</u>	<u>\$ 121,481</u>	<u>\$ 34,447</u>	<u>\$ 1,135,790</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 773			\$ 8,320				\$ 1,500		
Settlements pending										
Total Liabilities	<u>773</u>			<u>8,320</u>				<u>1,500</u>		
Fund Balances:										
Restricted	31,363	\$ 47,237	\$ 52,009	302,933	\$ 178,104	\$ 100	\$ 8,240	119,981	\$ 34,447	\$ 1,135,790
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,136</u>	<u>\$ 47,237</u>	<u>\$ 52,009</u>	<u>\$ 311,253</u>	<u>\$ 178,104</u>	<u>\$ 100</u>	<u>\$ 8,240</u>	<u>\$ 121,481</u>	<u>\$ 34,447</u>	<u>\$ 1,135,790</u>

CITY OF CENTERTON, 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	
	Series 2017 Refunding and Improvement Bonds	Series 2021 Improvement Bonds	Series 2017 Refunding and Improvement Bonds - Debt Service	Series 2020 Improvement Bonds - Debt Service	Series 2021 Improvement Bonds - Debt Service	Firemen's Pension	District Court	Totals
ASSETS								
Cash and cash equivalents	\$ 496,027	\$ 958,045	\$ 1,136,241	\$ 37,698	\$ 20,727	\$ 43,184	\$ 39,499	\$ 4,612,011
Investments						1,575,895		1,575,895
Accounts receivable			212,787			11,427		264,421
TOTAL ASSETS	\$ 496,027	\$ 958,045	\$ 1,349,028	\$ 37,698	\$ 20,727	\$ 1,630,506	\$ 39,499	\$ 6,452,327
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 10,593
Settlements pending							\$ 39,499	39,499
Total Liabilities							39,499	50,092
Fund Balances:								
Restricted	\$ 496,027	\$ 958,045	\$ 1,349,028	\$ 37,698	\$ 20,727	\$ 1,630,506		6,402,235
TOTAL LIABILITIES AND FUND BALANCES	\$ 496,027	\$ 958,045	\$ 1,349,028	\$ 37,698	\$ 20,727	\$ 1,630,506	\$ 39,499	\$ 6,452,327

CITY OF CENTERTON, 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									
	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	District Court Automation	Parks and Recreation	Advertising and Promotion	Law Enforcement Grant	Highway Improvement (Act 1949)	Incarceration Fee	Cemetery Operation and Maintenance	American Rescue Plan Act
REVENUES										
State aid	\$ 25,245									
Federal aid										\$ 1,682,733
Property taxes										
Sales taxes										
Fines, forfeitures, and costs		\$ 23,109	\$ 15,645				\$ 12,065	\$ 12,696		
Interest	3	4	5		\$ 15		1		\$ 4	
Advertising and promotion taxes					261,493					
Donations									275	
Net increase/(decrease) in fair value of investments										
Other				\$ 15,305	1,050					
TOTAL REVENUES	25,248	23,113	15,650	15,305	262,558		12,066	12,696	279	1,682,733
EXPENDITURES										
Current:										
General government										54,127
Law enforcement			6,000					36,204		142,714
Highways and streets							8,262			70,093
Public safety	24,932									110,122
Recreation and culture				111,779						36,891
Advertising and promotion					9,055					
Cemetery									1,966	
Total Current	24,932		6,000	111,779	9,055		8,262	36,204	1,966	413,947
Debt Service:										
Bond principal										
Bond interest and other charges										
TOTAL EXPENDITURES	24,932		6,000	111,779	9,055		8,262	36,204	1,966	413,947
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	316	23,113	9,650	(96,474)	253,503		3,804	(23,508)	(1,687)	1,268,786
OTHER FINANCING SOURCES (USES)										
Transfers in				207,135						
Transfers out					(207,135)					
Contribution to water department										(132,996)
Bond proceeds										
TOTAL OTHER FINANCING SOURCES (USES)				207,135	(207,135)					(132,996)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	316	23,113	9,650	110,661	46,368		3,804	(23,508)	(1,687)	1,135,790
FUND BALANCES - JANUARY 1	31,047	24,124	42,359	192,272	131,736	\$ 100	4,436	143,489	36,134	
FUND BALANCES - DECEMBER 31	<u>\$ 31,363</u>	<u>\$ 47,237</u>	<u>\$ 52,009</u>	<u>\$ 302,933</u>	<u>\$ 178,104</u>	<u>\$ 100</u>	<u>\$ 8,240</u>	<u>\$ 119,981</u>	<u>\$ 34,447</u>	<u>\$ 1,135,790</u>

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

Schedule 2

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS			TRUST FUND	
	Series 2017 Refunding and Improvement Bonds	Series 2020 Improvement Bonds	Series 2021 Improvement Bonds	Series 2017 Refunding and Improvement Bonds - Debt Service	Series 2020 Improvement Bonds - Debt Service	Series 2021 Improvement Bonds - Debt Service	Firemen's Pension	Totals
REVENUES								
State aid							\$ 6,605	\$ 31,850
Federal aid								1,682,733
Property taxes							109,408	109,408
Sales taxes				\$ 2,400,478				2,400,478
Fines, forfeitures, and costs								63,515
Interest	\$ 2,119	\$ 270	\$ 197	1,059	\$ 33	\$ 4	205,622	209,336
Advertising and promotion taxes								261,493
Donations								275
Net increase/(decrease) in fair value of investments							(33,364)	(33,364)
Other								16,355
TOTAL REVENUES	2,119	270	197	2,401,537	33	4	288,271	4,742,079
EXPENDITURES								
Current:								
General government	3,546,114	388,287				55,937		4,044,465
Law enforcement								184,918
Highways and streets	426,489							504,844
Public safety			25,492				110,992	271,538
Recreation and culture								148,670
Advertising and promotion								9,055
Cemetery								1,966
Total Current	3,972,603	388,287	25,492			55,937	110,992	5,165,456
Debt Service:								
Bond principal				1,625,000	134,207	162,721		1,921,928
Bond interest and other charges				314,670	11,668	16,945		343,283
TOTAL EXPENDITURES	3,972,603	388,287	25,492	1,939,670	145,875	235,603	110,992	7,430,667
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,970,484)	(388,017)	(25,295)	461,867	(145,842)	(235,599)	177,279	(2,688,588)
OTHER FINANCING SOURCES (USES)								
Transfers in					145,860	179,666		532,661
Transfers out				(325,526)				(532,661)
Contribution to water department								(132,996)
Bond proceeds			983,340			76,660		1,060,000
TOTAL OTHER FINANCING SOURCES (USES)			983,340	(325,526)	145,860	256,326		927,004
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,970,484)	(388,017)	958,045	136,341	18	20,727	177,279	(1,761,584)
FUND BALANCES - JANUARY 1	4,466,511	388,017		1,212,687	37,680		1,453,227	8,163,819
FUND BALANCES - DECEMBER 31	\$ 496,027	\$ 0	\$ 958,045	\$ 1,349,028	\$ 37,698	\$ 20,727	\$ 1,630,506	\$ 6,402,235

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Emergency Vehicle (Act 988)	Ark. Code Ann. § 27-22-103 established fund for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus.
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.
Parks and Recreation	Ark. Code Ann. § 26-75-606 and Centerton Ordinance no. 07-02 (May 8, 2007) amended by no. 09-27 (December 8, 2009) established fund allowing the City to allocate 80% of advertising and promotion tax for the purpose of parks and other facilities.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 and Centerton Ordinance no. 07-02 (May 8, 2007) and no. 09-27 (December 8, 2009) established and amended the fund to receive no more than 3% of gross proceeds from restaurants, cafés, etc., that are to be used for parks and to promote the City.
Law Enforcement Grant	Established to account for Local Law Enforcement Block Grants (LLEBG) and Justice Assistance Grants (JAG) to be used for police department operations.
Highway Improvement (Act 1949)	Ark. Code Ann. § 27-14-313 established the fund to receive fines for failure to properly register vehicles to be used for the construction, maintenance or repair of public highway or highway structures, or for the installation and maintenance of traffic control devices.
Incarceration Fee	Ark. Code Ann. § 16-17-129 and Centerton Ordinance no. 05-49 (June 14, 2005) established fund to receive District Court additional fines not to exceed twenty dollars (\$20) to be deposited into the fund to be used exclusively to defray the cost of incarcerating city prisoners, including construction and maintenance of the city jail.
Cemetery Operation and Maintenance	Centerton Resolution no. 2014-08 (May 6, 2014) established fund to be used for the general grounds keeping and management of the Centerton Cemetery.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Series 2017 Refunding and Improvement Bonds	Centerton Ordinance no. 2017-53 (Sept 28, 2017) authorized the issuance of Sales and Use Tax Refunding and Improvement Bonds for the purpose of refunding prior sales tax indebtedness and financing City Administrative Facilities, Street Improvements, and Parks and Recreational Improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
Series 2020 Improvement Bonds	Centerton Ordinance no. 2020-02 (Jan 14, 2020) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
Series 2021 Improvement Bonds	Centerton Ordinance no. 2021-05 (Jan 12, 2021) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
Series 2017 Refunding and Improvement Bonds - Debt Service	Centerton Ordinance no. 2017-53 (Sept 28, 2017) authorized the issuance of Sales and Use Tax Refunding and Improvement Bonds for the purpose of refunding prior sales tax indebtedness and financing City Administrative Facilities, Street Improvements, and Parks and Recreational Improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
Series 2020 Improvement Bonds - Debt Service	Centerton Ordinance no. 2020-02 (Jan 14, 2020) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
Series 2021 Improvement Bonds - Debt Service	Centerton Ordinance no. 2021-05 (Jan 12, 2021) authorized the issuance of Sales and Use Tax Improvement Bonds for the purpose of financing the cost of capital improvements and pledging collections of a 1% sales and use tax to pay the principal of and interest on the bonds.
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 CENTERTON, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2021
(Unaudited)

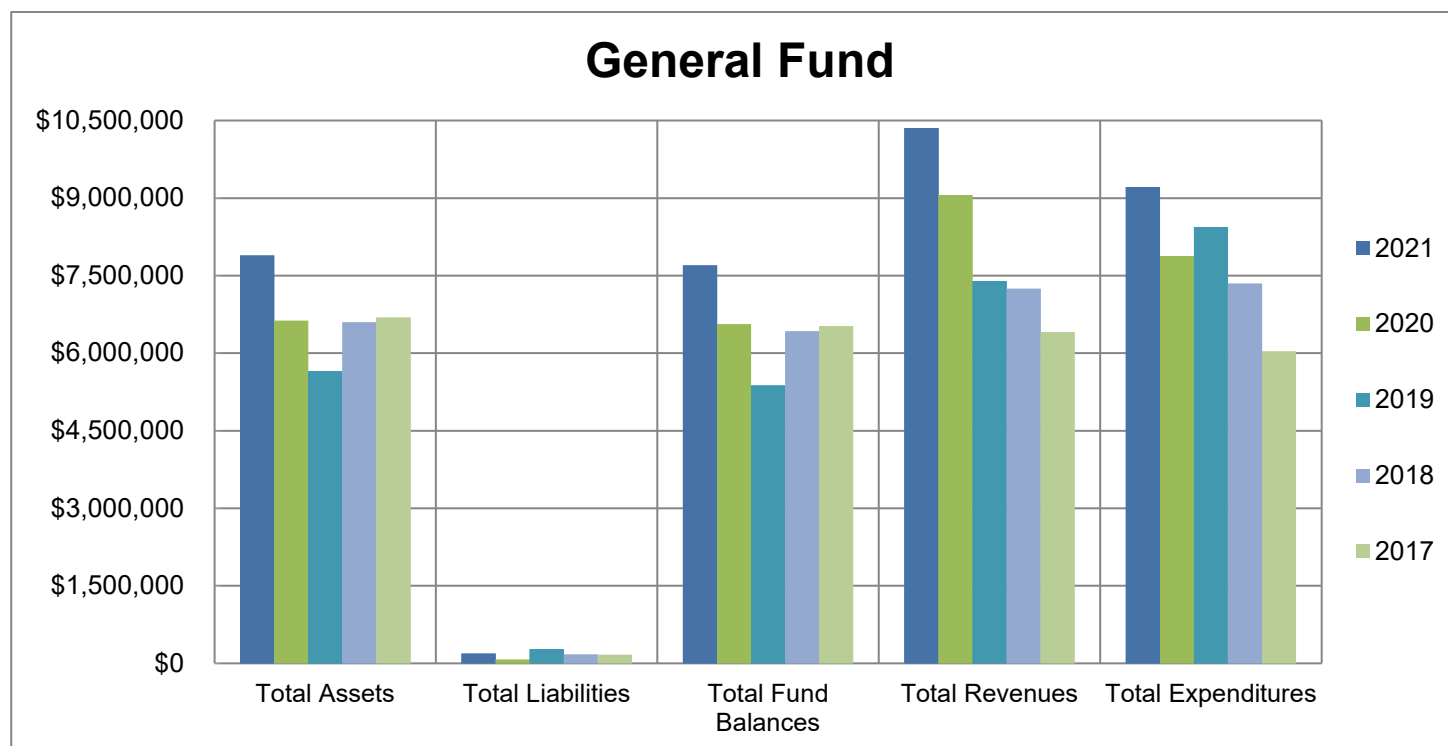
Schedule 3

	December 31, 2021
Land	\$ 2,094,111
Buildings and improvements	4,027,056
Construction in progress	7,271,472
Equipment	<u>6,417,373</u>
Total	<u>\$ 19,810,012</u>

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

Schedule 4-1

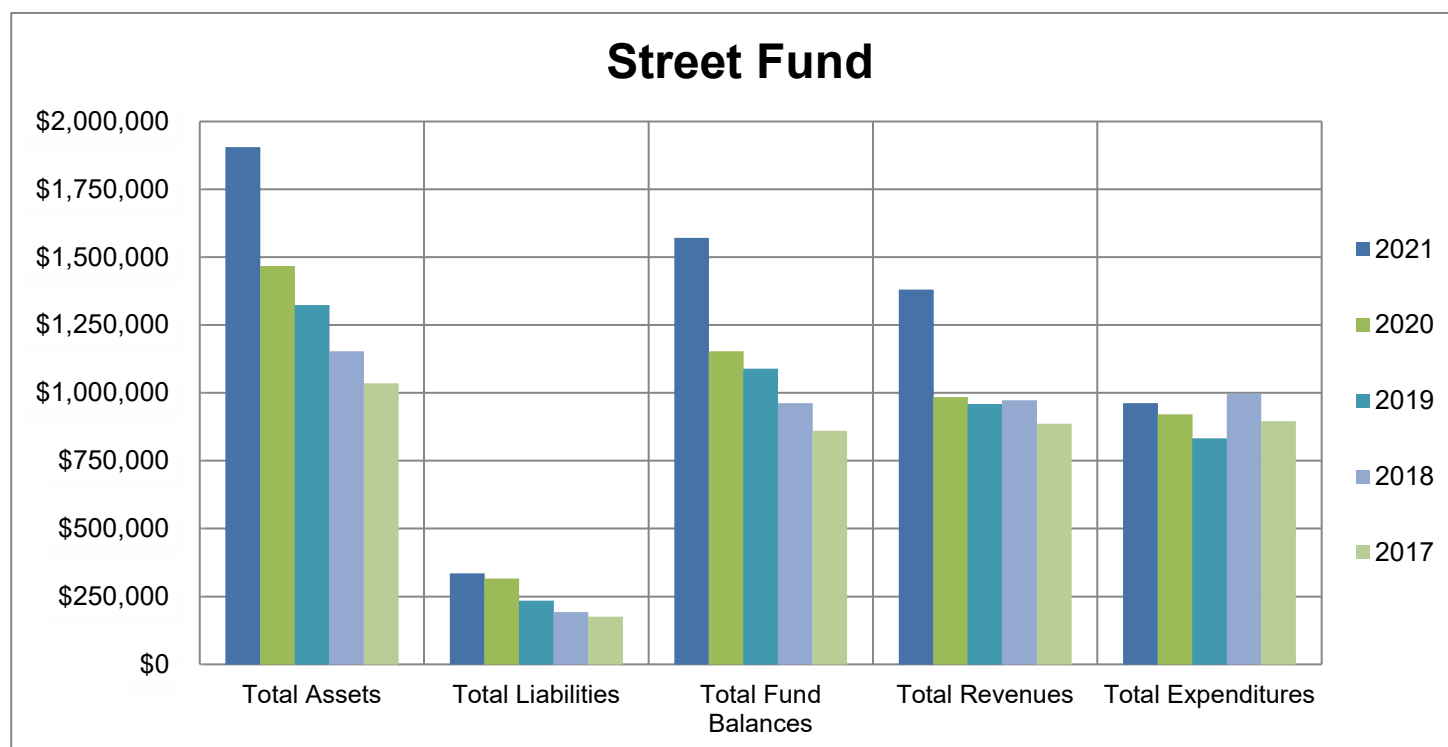
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 7,886,875	\$ 6,627,558	\$ 5,651,839	\$ 6,594,042	\$ 6,688,474
Total Liabilities	190,197	71,438	275,103	170,430	165,030
Total Fund Balances	7,696,678	6,556,120	5,376,736	6,423,612	6,523,444
Total Revenues	10,352,182	9,056,985	7,390,820	7,244,116	6,409,249
Total Expenditures	9,211,624	7,877,601	8,437,696	7,343,948	6,030,584
Total Other Financing Sources/Uses					



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

Schedule 4-2

Street	2021	2020	2019	2018	2017
Total Assets	\$ 1,905,043	\$ 1,467,606	\$ 1,323,298	\$ 1,152,558	\$ 1,034,867
Total Liabilities	333,913	315,046	234,078	191,300	175,172
Total Fund Balances	1,571,130	1,152,560	1,089,220	961,258	859,695
Total Revenues	1,379,727	983,596	959,702	971,819	886,547
Total Expenditures	961,157	920,256	831,740	996,769	895,321
Total Other Financing Sources/Uses				126,513	



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 6,452,327	\$ 8,630,836	\$ 8,563,923	\$ 9,562,811	\$ 10,611,759
Total Liabilities	50,092	467,017	145,385	220,943	57,610
Total Fund Balances	6,402,235	8,163,819	8,418,538	9,341,868	10,554,149
Total Revenues	4,742,079	2,680,484	2,248,143	1,857,311	1,642,664
Total Expenditures	7,430,667	3,398,403	3,153,781	3,069,592	2,866,680
Total Other Financing Sources/Uses	927,004	463,200			8,470,925

