

City of Van Buren, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF VAN BUREN, ARKANSAS
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Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 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.

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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Van Buren, Arkansas, as of December 31, 2020, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Van Buren, Arkansas, as of December 31, 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.

Emphasis of Matter

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

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
September 15, 2021
LOM108920

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 Van Buren, 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 accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Van Buren, Arkansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2021. 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.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. 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 may exist that have not been identified.

Compliance and Other Matters

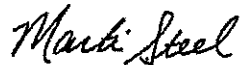
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 15, 2021.

Purpose of this Report

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



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 15, 2021

Arkansas

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



Rep. Richard Womack
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

Mayor: Joe Hurst
Clerk/Treasurer: Phyllis Thomas
District Court Clerk: Marie Johnson
Police Chief: Jamie Hammond

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

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Marti Steel".

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 15, 2021

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

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 9,036,893	\$ 3,944,567	\$ 294,687
Accounts receivable	1,153,781		173
TOTAL ASSETS	\$ 10,190,674	\$ 3,944,567	\$ 294,860
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 299,296	\$ 34,961	\$ 193,201
Settlements pending			193,201
Total Liabilities	299,296	34,961	193,201
Fund Balances:			
Restricted	1,088,881	3,909,606	15,860
Committed	106,804		85,799
Assigned	5,943,111		
Unassigned	2,752,582		
Total Fund Balances	9,891,378	3,909,606	101,659
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,190,674	\$ 3,944,567	\$ 294,860

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

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

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 451,231	\$ 1,720,509	
Federal aid	1,152,644		
Property taxes	625,074	468,805	
Franchise fees	1,702,842		
Sales taxes	10,003,600		
Fines, forfeitures, and costs	364,022		\$ 4,910
Interest	43,638	21,385	708
Local permits and fees	434,124		8,054
School resource officer reimbursement	400,000		
Employee insurance contributions	212,940	17,280	
County court reimbursement	270,720		
Other	270,498	25,499	5,745
TOTAL REVENUES	15,931,333	2,253,478	19,417
EXPENDITURES			
Current:			
General government	2,035,818		
Law enforcement	5,653,805		126
Highways and streets	261,500	1,357,272	
Public safety	4,005,651		
Recreation and culture	728,735		
Social services	24,593		
Total Current	12,710,102	1,357,272	126
Debt Service:			
Note principal	127,958	25,577	
Note interest and other charges	5,232	1,043	
TOTAL EXPENDITURES	12,843,292	1,383,892	126

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

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 3,088,041	\$ 869,586	\$ 19,291
OTHER FINANCING SOURCES (USES)			
Transfers in	34,101		
Transfers out	(240,000)		(34,101)
Contribution to water department			
TOTAL OTHER FINANCING SOURCES (USES)	(205,899)		(34,101)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,882,142	869,586	(14,810)
FUND BALANCES - JANUARY 1	7,009,236	3,040,020	116,469
FUND BALANCES - DECEMBER 31	\$ 9,891,378	\$ 3,909,606	\$ 101,659

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

CITY OF VAN BUREN, 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

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 451,231	\$ 451,231		\$ 1,720,509	\$ 1,720,509	
Federal aid	1,151,319	1,152,644	\$ 1,325			
Property taxes	625,074	625,074		468,805	468,805	
Franchise fees	1,702,842	1,702,842				
Sales taxes	10,108,788	10,003,600	(105,188)			
Fines, forfeitures, and costs	410,813	364,022	(46,791)			
Interest	43,601	43,638	37	21,385	21,385	
Local permits and fees	434,124	434,124				
School resource officer reimbursement	400,000	400,000				
Employee insurance contributions	212,940	212,940		17,280	17,280	
County court reimbursement	270,720	270,720				
City pension contributions	1,087,822		(1,087,822)			
Employee pension contributions	262,164		(262,164)			
Other	307,678	270,498	(37,180)	25,499	25,499	
TOTAL REVENUES	17,469,116	15,931,333	(1,537,783)	2,253,478	2,253,478	
EXPENDITURES						
Current:						
General government	2,032,688	2,035,818	(3,130)			
Law enforcement	6,070,667	5,653,805	416,862			
Highways and streets	261,500	261,500		1,383,892	1,357,272	\$ 26,620
Public safety	4,949,651	4,005,651	944,000			
Recreation and culture	720,685	728,735	(8,050)			
Social services	34,086	24,593	9,493			
Total Current	14,069,277	12,710,102	1,359,174	1,383,892	1,357,272	26,620
Debt Service:						
Note principal		127,958	(127,958)		25,577	(25,577)
Note interest		5,232	(5,232)		1,043	(1,043)
TOTAL EXPENDITURES	14,069,277	12,843,292	1,225,984	1,383,892	1,383,892	0

CITY OF VAN BUREN, 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

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 3,399,839	\$ 3,088,041	\$ (311,799)	\$ 869,586	\$ 869,586	
OTHER FINANCING SOURCES (USES)						
Transfers in		34,101	34,101			
Transfers out	(5,724)		5,724			
Contribution to water department	(240,000)	(240,000)				
TOTAL OTHER FINANCING SOURCES (USES)	(245,724)	(205,899)	39,825			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,154,115	2,882,142	(271,974)	869,586	869,586	
FUND BALANCES - JANUARY 1	7,026,197	7,009,236	(16,961)	2,944,759	3,040,020	\$ 95,261
FUND BALANCES - DECEMBER 31	\$ 10,180,312	\$ 9,891,378	\$ (288,935)	\$ 3,814,345	\$ 3,909,606	\$ 95,261

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

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Van Buren 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 funds of the City would have been included in the reporting entity: Municipal Utilities and Advertising and Promotion Commission. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are 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.

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

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, and 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. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance -- amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

CITY OF VAN BUREN, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	12,772,814	12,835,062
Uncollateralized		294,564
Total Deposits	\$ 13,272,814	\$ 13,629,626

The above total deposits do not include cash on hand of \$3,333.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2: Cash Deposits with Financial Institutions (Continued)

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 formal deposit policy addressing custodial credit risk. At December 31, 2020, the City had \$294,564 of uninsured, uncollateralized bank deposits that were exposed to custodial credit risk.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Other Funds in the Aggregate
Federal aid	\$ 7,753	
Franchise fees	204,818	
Sales taxes	819,172	
Fines, forfeitures, and costs	58,566	
Interest	35	
Local permits and fees	19,748	\$ 173
School resource officer reimbursement	40,000	
Totals	\$ 1,153,781	\$ 173

NOTE 5: Accounts Payable

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

Description	General Fund	Street Fund
Vendor payables	\$ 299,296	\$ 34,961

NOTE 6: Federal Funds Program Compliance

The Coronavirus Aid, Relief and Economic Securities (CARES) Act grant of City of Van Buren was not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. As of report date, the City has attempted to obtain an auditor, but has not been successful. The City will continue to seek to find an auditor. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7: Details of Fund Balance Classifications

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	\$ 53,584		\$ 15,860
Highways and streets		\$ 3,909,606	
Public safety	247,418		
Police, fire, and other emergency service purposes, parks and recreation purposes, and economic development purposes	787,879		
Total Restricted	<u>1,088,881</u>	<u>3,909,606</u>	<u>15,860</u>
Committed for:			
General government	31,925		
Law enforcement	74,879		
Highways and streets			85,799
Total Committed	<u>106,804</u>		<u>85,799</u>
Assigned to:			
General government	305,760		
Law enforcement	360,254		
Public safety	647,165		
Recreation and culture	19,540		
Social services	41,963		
Capital outlay	4,568,429		
Total Assigned	<u>5,943,111</u>		
Unassigned	<u>2,752,582</u>		
Totals	<u>\$ 9,891,378</u>	<u>\$ 3,909,606</u>	<u>\$ 101,659</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, 2020, the legal debt limit for the bonded debt was \$61,884,643. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2020, the legal debt limit for short-term financing obligations was \$16,271,863. The amount of short-term financing obligations was \$157,220, leaving a legal debt margin of \$16,114,643.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9: Commitments

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

	December 31, 2020
Long-term liabilities	\$ 1,920,685

Long-term liabilities

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

	December 31, 2020
<u>Direct Borrowings</u>	
Note payable dated July 29, 2016, with Citizen's Bank in the amount of \$500,116, with interest rate of 2.29% for purchase of a 2013 Pierce Arrow XT Ladder fire truck; nine (9) semiannual payments of \$53,200 beginning February 1, 2017, followed by a single payment of the entire unpaid balance of principal and interest at maturity. Payments are to be made from the General Fund.	\$ 104,751
Note payable dated July 29, 2016, with Citizen's Bank in the amount of \$125,116, with interest rate of 2.29% for purchase of a Leeboy Asphalt Paver; nine (9) semiannual payments of \$13,310 beginning February 1, 2017, followed by a single payment of the entire unpaid balance of principal and interest at maturity. Payments are to be made from the Street Fund.	26,268
Note payable dated August 25, 2016, with Citizen's Bank in the amount of \$125,831, with interest rate of 2.29% for purchase of Block 6 and Lots 4 - 10 of Block 7 of Main Street; nine (9) semiannual payments of \$13,395 beginning February 25, 2017, followed by a single payment of the entire unpaid balance of principal and interest at maturity. Payments are to be made from the General Fund.	26,201
Total Direct Borrowings	157,220
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	1,763,465
Total Long-term liabilities	\$ 1,920,685

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

The City's outstanding notes from direct borrowings of \$157,220 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.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9: Commitments (Continued)

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, 2020</u>	<u>Maturities to December 31, 2020</u>
<u>Direct Borrowings</u>					
7/29/16	8/1/21	2.29%	\$ 500,116	\$ 104,751	\$ 395,365
7/29/16	8/1/21	2.29%	125,116	26,201	98,915
8/25/16	8/25/21	2.29%	125,831	26,268	99,563
Total Direct Borrowings			<u>\$ 751,063</u>	<u>\$ 157,220</u>	<u>\$ 593,843</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2020</u>
<u>Direct Borrowings</u>				
Notes payable	<u>\$ 310,755</u>	<u>\$ 0</u>	<u>\$ 153,535</u>	<u>\$ 157,220</u>

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	<u>\$ 157,220</u>	<u>\$ 2,726</u>	<u>\$ 159,946</u>

NOTE 10: Interfund Transfers

On May 18, 2020, the City transferred \$34,101 in rental fees from Other Funds in the Aggregate (Federal Forfeiture Fund) to the General Fund for errors in posting of non-forfeiture type revenue.

NOTE 11: Subsequent Events

On March 29, 2021, Federal Emergency Management Agency (FEMA) awarded the City an Assistant to Firefighters Grant (AFG) totaling \$292,608 that was applied to the purchase of firefighter equipment totaling \$321,869. The difference was covered by General Fund monies.

On April 8, 2021, the City executed a contract in the amount of \$1,092,428 with Goodwin & Goodwin, Inc. for the North 20th Street Overlay Project.

On June 25, 2021, the Arkansas Economic Development Commission awarded the City \$148,380 of federal Housing and Urban Development (HUD) funding for renovation of the Van Buren Boys & Girls Club.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 12: Joint Venture – Western Arkansas Intermodal Authority

Sebastian and Crawford Counties, and the Cities of Fort Smith and Van Buren entered into an agreement on July 21, 2009, in accordance with Ark. Code Ann. § 14-143-103 to establish the Western Arkansas Intermodal Authority. Funding is provided by taxes levied upon and collected from shippers, transporters, or users loading or unloading freight and commerce or passengers at a terminal facility of the Western Arkansas Intermodal Authority. The City provided \$31,250 of funding to the Western Arkansas Intermodal Authority in 2020. Separate financial statements for the Western Arkansas Intermodal Authority are available at: 1109 S. 16th Street, Fort Smith, AR 72901.

NOTE 13: Jointly Governed Organization – Western River Valley Solid Waste Management District

Conway, Crawford, Franklin, Johnson, Logan, Perry, Pope, Scott, and Yell Counties and the Cities of Van Buren, Ozark, Atkins, Booneville, Alma, Clarksville, Russellville, Paris, Charleston, Morrilton, Waldron, and Dardanelle entered into an agreement in 1991 to form the West River Valley Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-708. The City did not provide any funding for the West River Valley Solid Waste Management District. Separate financial statements may be obtained at: 24087 Highway 164, Clarksville, AR 72830

NOTE 14: Interlocal Agreements

District Court Judge

The City of Van Buren, Crawford County, and the Cities of Alma, Kibler, Mulberry, Mountainburg, Dyer, and Cedarville entered into an agreement to provide for a District Judge's annual salary of \$117,300 to be paid 50% by the State and the remaining 50% to be paid as follows: 79% by Van Buren, 6% by Alma, 6% by Kibler, 4% by Mulberry, 3% by Mountainburg, 1% by Dyer, and 1% by Cedarville. The Judge is an employee of the State of Arkansas and is elected for a four year term.

Crawford County

The City of Van Buren and Crawford County entered into an agreement in 2016 concerning the operational expenses of the Van Buren District Court by Crawford County in accordance with Ark. Code. Ann. § 16-17-1203. During 2020, the City received \$270,720 in reimbursements from Crawford County for the operational expenses of the Van Buren District Court. Effective upon this agreement, the employees of the Van Buren District Court shall become full-time employees of the City of Van Buren.

Hazmat Response Program

The City of Van Buren, Crawford County, and the Cities of Alma, Kibler, Mulberry, Mountainburg, Dyer, and Cedarville entered into an agreement concerning contributions to operate and maintain a County Hazmat Response Program. This agreement was entered into in 2003. The City of Van Buren contributed \$9,493 to Crawford County in 2020.

Regional Crisis Stabilization Unit

The City entered into an interlocal agreement dated August 16, 2018, with the counties and cities in the Sebastian County mental health catchment area, including Sebastian, Crawford, Franklin, Logan, Scott, and Polk Counties and all incorporated cities in these counties, concerning the operations of the Sebastian County Regional Crisis Stabilization Unit. This program will be utilized by the counties and cities to divert people who are experiencing a mental health crisis from jail to get the treatment they need, as determined by the medical service provider who is trained to recognize and treat behavioral-health issues. The program shall be maintained by the Sebastian County Judge. State funding of \$1.6 million annually has been allocated for Sebastian County to operate the crisis stabilization unit based upon daily billable services to each individual treated and subject to Medicaid reimbursements and other patient insurance. Sebastian County will initially pay all expenses incurred for operations and management of the program. The counties and cities will participate in a cost sharing agreement based on the cost per day for services for each patient, which will be determined by actual operations expenses. The cost sharing will equitably allocate the unreimbursed cost to each governmental entity participating in the program, after consideration of grant funding and allowable insurance reimbursements. The cost sharing agreement will be based upon the collection of actual operations data in the first year of service, and each year thereafter, as appropriate for annual adjustment. In addition, to defray maintenance and operation costs the counties and cities agree to pay a daily rate of \$5 for services provided each day of care, for the length of stay. Sebastian County had planned to send a monthly itemized bill to each county and city, beginning August 1, 2018, to receive reimbursement for each county's and city's equitable share of expenses. However, Sebastian County has not billed the counties or cities for costs as of September 15, 2021.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 14: Interlocal Agreements (Continued)

Metropolitan Planning Organization

The City of Van Buren, Crawford County, Sebastian County, the Cities of Alma, Barling, Bonanza, Central City, Fort Smith, Greenwood, Kibler, and Lavaca, the Western Arkansas Intermodal Authority and the Fort Smith Regional Airport Commission within the State of Arkansas along with Leflore County, Sequoyah County, the Towns of Arkoma, Moffett, and Pocola within the State of Oklahoma entered into an agreement to form a Metropolitan Planning Organization and to create a Metropolitan Transportation Planning Area and Planning Organization. The Metropolitan Planning Organization is to be known as the "Frontier Metropolitan Planning Organization". During 2020, the City contributed \$1,500 in support of this organization.

Van Buren School District

The City of Van Buren and the Van Buren School District entered into an agreement in 2018 concerning the collaborative efforts to provide a safe and healthy school environment for the students, staff, faculty, and visitors. During 2020, the City received \$400,000 in reimbursements from the Van Buren School District for the salaries of the School Resource Officers. Effective upon this agreement, the salaries of the School Resource Officers will be shared by the Van Buren Police Department and the Van Buren School District, unless funded completely by grant monies.

NOTE 15: 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 VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15: 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 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.

On October 19, 1998, administration of the City of Van Buren Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$939,304 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$459,096 for the year ended December 31, 2020.

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, 2020 (actuarial valuation date and measurement date) was \$7,782,392.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 \$342,406 for the year ended June 30, 2020.

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, 2020 (actuarial valuation date and measurement date) was \$3,280,169.

NOTE 18: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors 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 an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid the surviving spouse of former Mayor Allen Ray Toothaker \$10,512, for the year ended December 31, 2020.

NOTE 19: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). On December 9, 2020 and December 11, 2020, the City received \$691,535 and \$117,634, respectively, in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. On July 26, 2021, the City received \$2,446,929 in federal aid from the American Rescue Plan Act of 2021. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

	SPECIAL REVENUE FUNDS			CUSTODIAL FUND	
	Sidewalk	Federal Forfeiture	State Forfeiture	District Court and Civil Claims	Totals
ASSETS					
Cash and cash equivalents	\$ 85,626	\$ 2,863	\$ 12,997	\$ 193,201	\$ 294,687
Accounts receivable	173				173
TOTAL ASSETS	\$ 85,799	\$ 2,863	\$ 12,997	\$ 193,201	\$ 294,860
LIABILITIES AND FUND BALANCES					
Liabilities:					
Settlements pending				\$ 193,201	\$ 193,201
Fund Balances:					
Restricted		\$ 2,863	\$ 12,997		15,860
Committed	\$ 85,799				85,799
Total Fund Balances	85,799	2,863	12,997		101,659
TOTAL LIABILITIES AND FUND BALANCES	\$ 85,799	\$ 2,863	\$ 12,997	\$ 193,201	\$ 294,860

CITY OF VAN BUREN, 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

	SPECIAL REVENUE FUNDS			
	Sidewalk	Federal Forfeiture	State Forfeiture	Totals
REVENUES				
Fines, forfeitures, and costs		\$ 2,835	\$ 2,075	\$ 4,910
Interest	505	129	74	708
Local permits and fees	8,054			8,054
Other	4,245	1,500		5,745
TOTAL REVENUES	12,804	4,464	2,149	19,417
EXPENDITURES				
Current:				
Law enforcement		126		126
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,804	4,338	2,149	19,291
OTHER FINANCING SOURCES (USES)				
Transfers out		(34,101)		(34,101)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	12,804	(29,763)	2,149	(14,810)
FUND BALANCES - JANUARY 1	72,995	32,626	10,848	116,469
FUND BALANCES - DECEMBER 31	\$ 85,799	\$ 2,863	\$ 12,997	\$ 101,659

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Sidewalk	Van Buren Ordinance no. 5-1997 (March 17, 1997) established the fund for the construction and maintenance of sidewalks. A percentage of building permit revenue is committed for funding.
Federal Forfeiture	Ark. Code Ann. § 5-64-505 established the fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
State Forfeiture	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
District Court and Civil Claims	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the District Court. Ark. Code Ann. § 16-17-707 established account to receive fees relating to small claims and civil case filings.

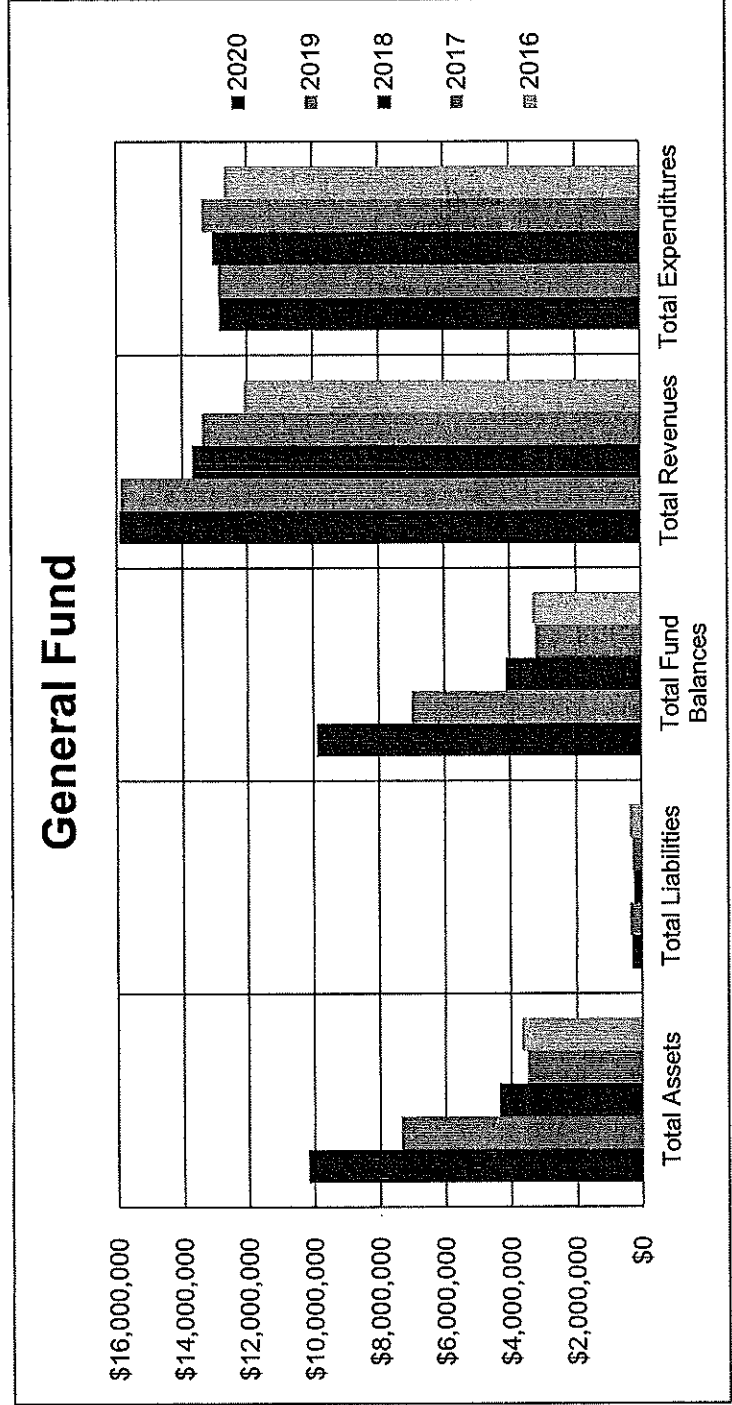
CITY OF VAN BUREN, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2020
(Unaudited)

Schedule 3

	<u>December 31, 2020</u>
Land	\$ 4,749,227
Buildings	17,376,922
Improvements other than buildings	6,052,333
Equipment	<u>6,991,097</u>
Total	<u>\$ 35,169,579</u>

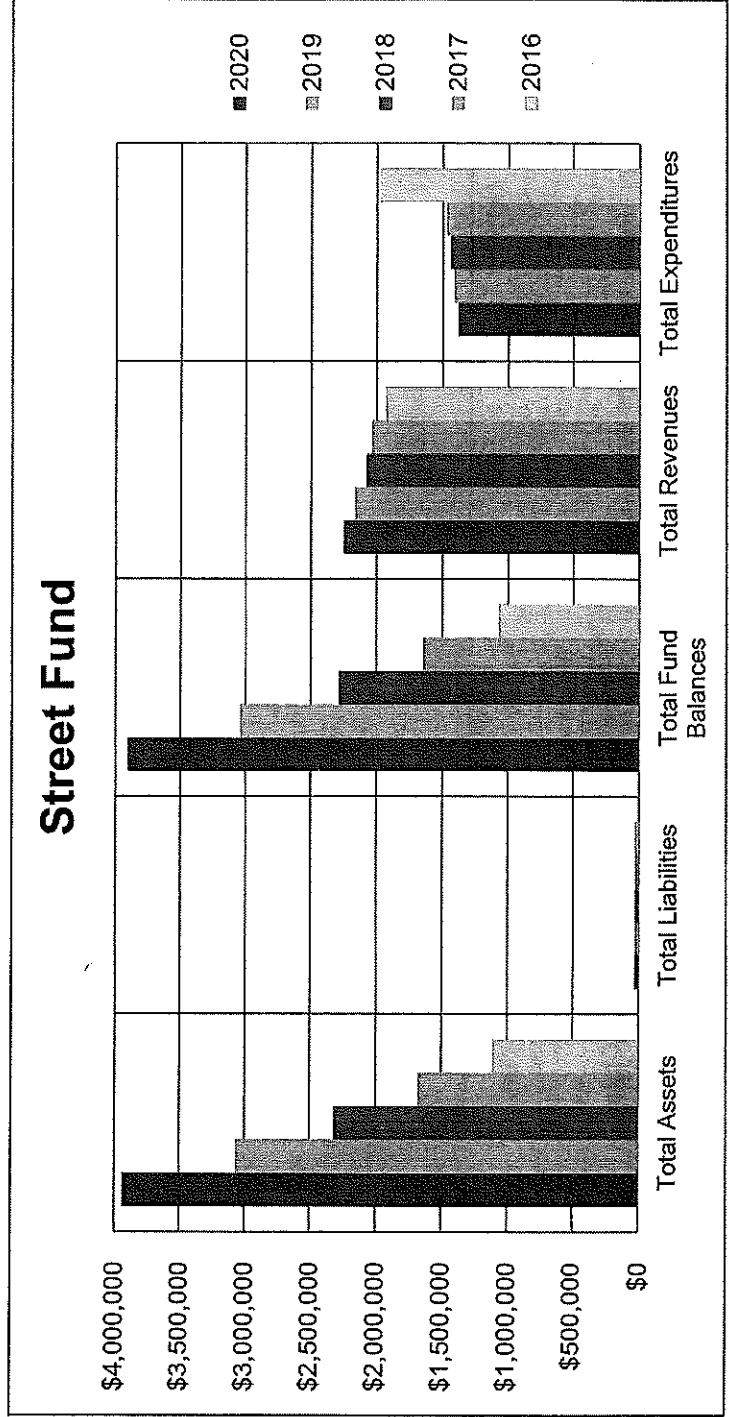
CITY OF VAN BUREN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2020
 (Unaudited)

General	2020	2019	2018	2017	2016
Total Assets	\$ 10,190,674	\$ 7,369,473	\$ 4,372,206	\$ 3,509,770	\$ 3,669,042
Total Liabilities	299,296	360,237	239,367	279,236	360,735
Total Fund Balances	9,891,378	7,009,236	4,132,839	3,230,534	3,308,307
Total Revenues	15,931,333	15,881,452	13,695,086	13,388,612	12,091,620
Total Expenditures	12,843,292	12,870,269	13,050,543	13,370,996	12,688,608
Total Other Financing Sources/Uses	(205,899)	(134,786)	(240,000)	(95,389)	755,003



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

<u>Street</u>	2020	2019	2018	2017	2016
Total Assets	\$ 3,944,567	\$ 3,070,797	\$ 2,321,020	\$ 1,677,659	\$ 1,110,130
Total Liabilities	34,961	30,777	32,136	29,374	33,369
Total Fund Balances	3,909,606	3,040,020	2,288,884	1,648,285	1,076,761
Total Revenues	2,253,478	2,166,665	2,083,989	2,041,559	1,939,577
Total Expenditures	1,383,892	1,415,529	1,443,390	1,470,035	1,978,666
Total Other Financing Sources/Uses					125,000



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

<u>Other Funds in the Aggregate</u>	2020	2019	2018	2017	2016
Total Assets	\$ 294,860	\$ 376,235	\$ 2,284,963	\$ 2,886,919	\$ 2,639,822
Total Liabilities	193,201	259,766	149,899	282,821	245,055
Total Fund Balances	101,659	116,469	2,135,064	2,604,098	2,394,767
Total Revenues	19,417	687,530	1,992,695	3,091,219	2,782,039
Total Expenditures	126	2,600,911	1,963,967	2,737,277	3,064,130
Total Other Financing Sources/Uses	(34,101)			(144,611)	(120,000)

