

GREENBRIER EASTSIDE WASTEWATER IMPROVEMENT

AMOUNT REQUESTED

\$6,722,100.00

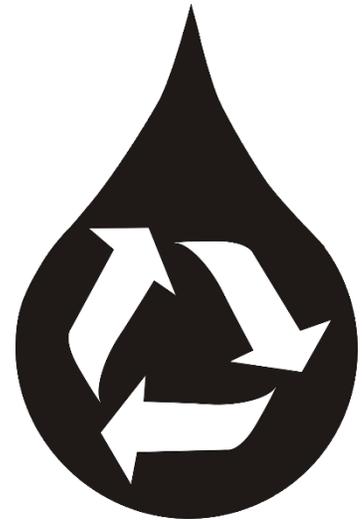
ARP FUNDS RECEIVED

\$773,284.18

PEOPLE IMPACTED

Approximately 8,000 people would benefit from this project.

The East Side Sewer Lift Station will provide wastewater collection capacity for the east side of the City of Greenbrier, as well as eliminate the need for 3 existing sewer Lift stations. The existing sewer Lift stations struggle to meet the existing demand and are a constant maintenance problem for the sewer department.



RECEIVED

CITY OF GREENBRIER

MAR 03 2022

EASTSIDE
WASTEWATER
IMPROVEMENT
PROJECT

Faulkner County ~~Faulkner County~~ FULKNER CO. JUDGE

**American Rescue Plan / Coronavirus State and Local
Fiscal Recovery Funds Application**

Organizational Information:

Name or Organization: City of Greenbrier

Physical Address: 11 Wilson Farm Rd

Mailing Address: PO Box 415

Email: gbmayor@gogreenbrier.com

Phone: (501) 679-2422 Ext 2

CEO or Executive Director Information:

Name: Sammy Joe Hartwick

Email: gbmayor@gogreenbrier.com

Phone: (501) 679-2422 Ext 2

Brief Qualifications Statement: 1989-Elected to Greenbrier City Council, served 19 years as city's Recorder/Treasurer, 2015-elected Mayor; Chairman – Metroplan Small Cities Council; Executive Committee – AR Municipal League

Financial Officer or Director Information:

Name: Leslie Littell

Email: lsittell@gogreenbrier.com

Phone: (501) 679-2422 Ext 4

Brief Qualifications Statement: CPA (AR License #7723); former auditor for the AR Division of Legislative Audit; former internal auditor for University of Arkansas

Who is the contact person for this application?

Name: Leslie Littell

Email: lsittell@gogreenbrier.com

Phone: (501) 679 – 2422 Ext 4

Entity Type or IRS Registration: (501(c)3, sole proprietorship, etc)

Local Government

Brief history of the organization:

Greenbrier was incorporated as a town on April 5, 1880 with an estimated population of 300 people. The relocation of US Hwy 65 through Greenbrier in 1942 gave the town a boost. Small businesses now support the economy, contribute to individual pride and enhance the total welfare of the community.

The Greenbrier School District consistently ranks among the top districts in the state. With the opening of Matthews Park in the geographic center of the city, citizens and visitors have access to walking trails, a splash pad and other outdoor events including an ice-skating rink during the holidays. According to the 2020 census, the City of Greenbrier became a city of the first class, with a citizen count above 5000.

Financial Information:

1. *Have you received other state or federal grant funds in the past three years? If so, list the grant name, the organization from whom it was received, the amount of funding received, and the status of the grant expenditure.*

2021 AMERICAN RESCUE PLAN ACT - U.S. Dept. of the Treasury through AR Dept. of Finance and Administration - received \$586,843.18; developing plans for submission to agency.

2020 CARES ACT – U.S. Dept. of Justice through AR Dept. of Finance and Administration – received \$186,441; fully expended.

2020 Capitalization Grant for Drinking Water State Revolving Fund – U.S. Environmental Protection Agency through AR Dept. of Agriculture – received \$1,245,983 for water meter replacement; fully expended.

2019 Assistance to Firefighters Grant – Dept. of Homeland Security through AR Dept. of Human Services – received \$165,698 for purchase of air packs for volunteer firefighters; fully expended.

2. *Please attach your organization's audits from 2019, 2020, and 2021 if available.*

2019 and 2020 (Please see attached)

2021 – currently in-progress

3. *What is your organization's annual budget? Please attach a copy of your 2020, 2021, and 2022 budgets.*

Please see attached

4. *The applicant certifies that any funds received through this Faulkner County granting program are fully subject to federal regulations and affirms that the funds will be properly spent in compliance with the American Rescue Plan Act of 2021. The applicant further affirms that financial controls are in place such that each expenditure under the grant will be fully documented and that such documentation will be open to the public and submitted to the County for audit. The applicant understands that all aspects of their use of the grant are open to the public and subject to the Freedom of Information Act.*

Agreed

About your Request:

5. *Please indicate under which category of eligibility under ARPA your organization is applying:*

Investments in Infrastructure – Water and Sewer

6. *Briefly and clearly state how your project responds to the COVID-19 crisis:*

The City of Greenbrier is continuing to grow rapidly over the past few years, and the growth has not slowed despite the pandemic. It is currently one of the fastest growing communities in Central Arkansas and Faulkner County. The rapid growth has outpaced the expansion of the sewer system, and the east side of the city cannot responsibly grow without additional sewer infrastructure. The East Side Sewer Lift Station will provide critical infrastructure to the east side of the City of Greenbrier. The proposed sewer Lift station will support the development of an area that is in high demand for residential expansion and support the existing residential and commercial sewer customers. The COVID pandemic has intensified the demand for housing in Central Arkansas, and this project will allow for the development of as much as 1,000 acres of land for commercial and residential use.

7. *Does your project have a county-wide impact? If so, please describe.*

The project will allow for development of a large area of undeveloped land in Greenbrier, one the fastest growing communities in Arkansas. The increased supply of housing in a desirable area will have county wide impact especially in property taxes. Greenbrier serves as a hub for northern Faulkner County. Many people from the smaller communities come to Greenbrier to shop, play sports, attend church and contribute to the community. Additionally, it serves as a key bedroom community for Conway and Little Rock areas. Due to the concerns of the Arkansas Department of Health, the City is currently not able to develop the majority of this area due to the lack of capacity in the sewer system.

8. *Please describe your project including the following information (in any order): What will this project accomplish? How will those goals be measured? How do these goals relate to the goals of the American Rescue Plan Act (ARPA)?*

The East Side Sewer Lift Station will provide wastewater collection capacity for the east side of the City of Greenbrier, as well as eliminate the need for 3 existing sewer Lift stations that struggle to meet the existing demand and are a constant maintenance problem for the sewer department. This Lift station has been on the planning horizon for the city for many years. The city operates and maintains Lift stations on Cedar Street, Hunter Heights subdivision, and on Mary Street. These stations are equipped with outdated pumps and each one currently operates at or near its full capacity. These stations are in constant need of maintenance and struggle to provide proper sewer service to the area. These stations are in danger of causing sanitary sewer

overflows, which are leaks of harmful sanitary sewage into the environment. The Arkansas Department of Health (ADH) and the Arkansas Department of Environmental Quality (ADEQ), which oversees wastewater systems for the State of Arkansas has halted all development in these areas until the issues with the existing lift stations can be addressed. The addition of the East Side Lift Station will allow the City to decommission the 3 existing lift stations and provide additional sewer capacity for future development.

9. *Please attach a project budget. If the project includes construction or third-party services, please provide their estimates.*

Please see attached Engineer's Opinion of Probable Cost.

10. *Are other funds part of the budget besides ARPA funds? If so, please list other sources of funding and a copy of their funding commitment, if available.*

At this time, there are no other funds planned for this project.

11. *Please describe the organization's financial management practices that will ensure audit compliance.*

The Finance Director has served the City of Greenbrier for over four years. She is a CPA, former field auditor for the Arkansas Division of Legislative Audit, and former internal auditor for the University of Arkansas System. During her tenure at Greenbrier, she has implemented numerous reporting and financial practices to ensure audit compliance. All non-routine expenditures are reviewed and signed off by the Mayor prior to payment. The City is also implementing a purchase order (PO) system that will require prior approval of expenditures.

12. *What is the total dollar amount that is being requested from Faulkner County?*

\$6,722,100.00

13. *Have you received other ARPA or CARES Act funds? If so, how much have you received?*

No other funds have been received except those stated above.

Authorized Representative:

The signature indicates that I have been authorized to submit an application requesting funding for the proposed project and to the best of my knowledge and belief, all data contained in this application is true and correct. If the application is approved for funding, I am authorized to sign any applicable documents on behalf of the applicant.

Sammy Joe Hartwick

Type Name

Title

MAYOR


Signature

Date

3/3/2022

When completed return by mail or drop-off to:

Faulkner County Judge's Office
801 Locust Street
Conway, AR 72034

2019 and 2020 Audit Reports

CITY OF GREENBRIER, ARKANSAS

**FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**CITY OF GREENBRIER, ARKANSAS
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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SEARCY & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.
CHARLES SEARCY, C.P.A.
TINA MARTIN, C.P.A.

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searcyco@searcy-cpa.com

INDEPENDENT AUDITOR'S REPORT

To the City Council
Greenbrier, Arkansas

We have audited the accompanying regulatory basis financial statements of the governmental activities and other funds in the aggregate of the City of Greenbrier, Arkansas, as of December 31, 2020, and the related notes to the financial statements.

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. 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 an opinion 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. 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, the financial statements are prepared by the City of Greenbrier, Arkansas, 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.

"Well done is better than well said"

Member of the Arkansas Society of Certified Public Accountants
Member American Institute of Certified Public Accountants
Private Companies Practice Section

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 Greenbrier, Arkansas as of December 31, 2020, or changes in net position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of the City of Greenbrier, Arkansas, as of December 31, 2020, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. §10-4-412 as described in Note 1.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above include only the primary government of the City of Greenbrier, Arkansas, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Greenbrier, Arkansas, as of December 31, 2020, and the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the City of Greenbrier, Arkansas, as of and for the year ended December 31, 2020, and our report dated September 30, 2021, expressed an unmodified opinion on those financial statements.

Other Matters

Supplementary and Other Information

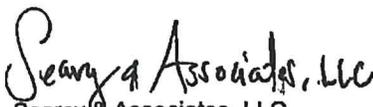
Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 30, 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.


Searcy & Associates, LLC
September 30, 2021

CITY OF GREENBRIER, ARKANSAS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$341,188	\$668,760	\$3,746,081	\$4,756,029
Accounts Receivable	326,822	31,763	266,505	625,090
Investments	114,650	0	0	114,650
Interfund Receivables	<u>0</u>	<u>191,723</u>	<u>318,641</u>	<u>510,364</u>
Total Assets	<u>\$782,660</u>	<u>\$892,246</u>	<u>\$4,331,227</u>	<u>\$6,006,133</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ 88,056	\$ 5,014	\$ 27,781	\$ 120,851
Settlements Pending	0	0	37,035	37,035
Interfund Payables	<u>0</u>	<u>114,795</u>	<u>622,252</u>	<u>737,047</u>
Total Liabilities	88,056	119,809	687,068	894,933
Fund Balance				
Restricted	174,114	772,437	860,515	1,807,066
Assigned	0	0	2,061,748	2,061,748
Unassigned	<u>520,490</u>	<u>0</u>	<u>721,896</u>	<u>1,242,386</u>
Total Fund Balance	<u>694,604</u>	<u>772,437</u>	<u>3,644,159</u>	<u>5,111,200</u>
Total Liabilities and Fund Balance	<u>\$782,660</u>	<u>\$892,246</u>	<u>\$4,331,227</u>	<u>\$6,006,133</u>

See Notes to Financial Statements

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>	<u>Total</u>
Revenues				
State Turnback	\$ 69,822	\$ 354,256	\$ 0	\$ 424,078
Property Taxes	144,911	101,088	0	245,999
Fines and Forfeitures	121,716	0	22,122	143,838
District Court Reimbursement	45,242	0	0	45,242
Sanitation Revenue	894,640	0	0	894,640
Franchise Taxes	252,972	0	0	252,972
Recreation	112,167	0	0	112,167
Sales Taxes	0	0	3,232,288	3,232,288
Local Permits	51,071	0	0	51,071
Interest	2,501	5,272	27,669	35,442
Federal Aid	352,139	0	0	352,139
Service Fees	8,138	0	21,025	29,163
Other	<u>56,505</u>	<u>1,500</u>	<u>31,766</u>	<u>89,771</u>
Total Revenue	\$2,111,824	\$462,116	\$3,334,870	\$5,908,810
Expenditures				
Current:				
General Government	\$ 484,102	\$ 0	\$ 609,348	\$1,093,450
Law Enforcement	515,450	0	0	515,450
Highways and Streets	0	585,029	0	585,029
Public Safety	82,041	0	33,475	115,516
Recreation and Culture	377,217	0	13,878	391,095
City Services	812,569	0	0	812,569
Capital Projects	<u>0</u>	<u>0</u>	<u>45,079</u>	<u>45,079</u>
Total Current	\$2,271,379	\$ 585,029	\$ 701,780	\$3,558,188

See Notes to Financial Statements

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>	<u>Total</u>
Expenditures, continued				
Debt Service:				
Bond Principal	\$ 0	\$ 0	\$ 285,000	\$ 285,000
Bond Interest and Other Charges	0	0	203,294	203,294
Note Principal	0	0	187,500	187,500
Note Interest	0	0	11,317	11,317
Lease Principal	0	0	67,135	67,135
Lease Interest	0	0	5,648	5,648
Total Debt Services	<u>0</u>	<u>0</u>	<u>759,894</u>	<u>759,894</u>
Total Expenditures	<u>\$2,271,379</u>	<u>\$ 585,029</u>	<u>\$ 1,461,674</u>	<u>\$ 4,318,082</u>
Excess (Deficiency) of Revenues over Expenditures	(159,555)	(122,913)	1,873,196	1,590,728
Other Financing Sources (Uses):				
Grant Revenue	\$ 0	\$ 0	\$ 182,786	\$ 182,786
Loan Proceeds	0	0	248,065	248,065
Capital Outlay	0	0	(2,233,989)	(2,233,989)
Transfers In	350,000	0	0	350,000
Transfers Out	0	0	(350,000)	(350,000)
Total Other Financing Sources (Uses)	<u>\$ 350,000</u>	<u>\$ 0</u>	<u>\$(2,153,138)</u>	<u>\$(1,803,138)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 190,445	\$(122,913)	\$ (279,942)	\$ (212,410)
Fund Balance, December 31, 2019	<u>504,159</u>	<u>895,350</u>	<u>3,924,101</u>	<u>5,323,610</u>
Fund Balance, December 31, 2020	<u>\$ 694,604</u>	<u>\$ 772,437</u>	<u>\$ 3,644,159</u>	<u>\$ 5,111,200</u>

See Notes to Financial Statements

CITY OF GREENBRIER, ARKANSAS
STATEMENT OF REVENUES, EXPENTURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

General Fund			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
State Turnback	\$ 75,000	\$ 69,822	\$ (5,178)
Property Taxes	140,000	144,911	4,911
Fines and Forfeitures	176,000	121,716	(54,284)
District Court Reimbursement	62,000	45,242	(16,758)
Sanitation Revenue	812,500	894,640	82,140
Franchise Taxes	252,000	252,972	972
Recreation	140,650	112,167	(28,483)
Local Permits	43,600	51,071	7,471
Interest	2,050	2,501	451
Federal Aid	0	352,139	352,139
Service Fees	7,720	8,138	418
Other	<u>50,940</u>	<u>56,505</u>	<u>5,565</u>
Total Revenues	1,762,460	2,111,824	349,364
Expenditures			
Current:			
General Government	319,340	484,102	(164,762)
Law Enforcement	494,570	515,450	(20,880)
Public Safety	96,690	82,041	14,649
Recreation and Culture	297,090	377,217	(80,127)
City Services	<u>755,065</u>	<u>812,569</u>	<u>(57,504)</u>
Total Current	1,962,755	2,271,379	(308,624)
Excess (Deficiency) of Revenues over Expenditures	(200,295)	(159,555)	40,740
Other Financing Sources (Uses)			
Transfers in	<u>300,000</u>	<u>350,000</u>	<u>50,000</u>
Total Other Financing Sources	<u>300,000</u>	<u>350,000</u>	<u>50,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	99,705	190,445	90,740
Fund Balance, December 31, 2019	<u>504,159</u>	<u>504,159</u>	<u>-</u>
Fund Balance, December 31, 2020	<u>\$ 603,864</u>	<u>\$ 694,604</u>	<u>\$90,740</u>

See Notes to Financial Statements

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

Street Fund			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
State Turnback	\$ 345,000	\$ 354,256	\$ 9,256
Property Taxes	95,000	101,088	6,088
Interest	10,000	5,272	(4,728)
Other	<u>600</u>	<u>1,500</u>	<u>900</u>
Total Revenues	450,600	462,116	11,516
Expenditures			
Current:			
Highways and Streets	<u>633,175</u>	<u>585,029</u>	<u>48,146</u>
Total Expenditures	633,175	585,029	48,146
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(182,575)	(122,913)	59,662
Fund Balance, December 31, 2019	<u>895,350</u>	<u>895,350</u>	<u>-</u>
Fund Balance, December 31, 2020	<u>\$ 712,775</u>	<u>\$ 772,437</u>	<u>\$59,662</u>

See Notes to Financial Statements

CITY OF GREENBRIER, ARKANSAS
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - OTHER FUNDS IN THE AGGREGATE
 REGULATORY BASIS
 DECEMBER 31, 2020

Assets	Special Revenue Funds				Debt		Custodial Funds			Total
	Sales Tax	Park Sales Tax	Street Sales Tax	Fire Special Act 833	Greenbrier Youth	2018 Service Fund Sales & Use Tax Bonds	District Court	Accounts Payable Fund	Payroll Fund	
Cash and Cash Equivalents	\$ 862,935	\$509,310	\$1,393,480	\$25,180	\$7,130	\$782,033	\$37,035	\$67,896	\$61,082	\$3,746,081
Accounts Receivable	106,601	35,534	71,068	0	0	53,302	0	0	0	266,505
Interfund Receivables	<u>37,281</u>	<u>281,360</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>318,641</u>
Total Assets	<u>\$1,006,817</u>	<u>\$826,204</u>	<u>\$1,464,548</u>	<u>\$25,180</u>	<u>\$7,130</u>	<u>\$835,335</u>	<u>\$37,035</u>	<u>\$67,896</u>	<u>\$61,082</u>	<u>\$4,331,227</u>
Liabilities and Fund Balance										
Liabilities										
Accounts Payable	\$ 10,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,781
Settlements Pending Interfund Payables	0	0	0	0	0	0	37,035	0	0	37,035
Interfund Payables	<u>281,360</u>	<u>0</u>	<u>229,004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,896</u>	<u>43,992</u>	<u>622,252</u>
Total Liabilities	292,051	0	229,004	0	0	0	37,035	67,896	61,082	687,068
Fund Balance										
Restricted	0	0	0	25,180	0	835,335	0	0	0	860,515
Assigned	0	826,204	1,235,544	0	7,130	0	0	0	0	2,068,878
Unassigned	714,766	0	0	0	0	0	0	0	0	714,766
Total Fund Balance	<u>714,766</u>	<u>826,204</u>	<u>1,235,544</u>	<u>25,180</u>	<u>7,130</u>	<u>835,335</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,644,159</u>
Total Liabilities and Fund Balance	<u>\$1,006,817</u>	<u>\$826,204</u>	<u>\$1,464,548</u>	<u>\$25,180</u>	<u>\$7,130</u>	<u>\$835,335</u>	<u>\$37,035</u>	<u>\$67,896</u>	<u>\$61,082</u>	<u>\$4,331,227</u>

See Notes to Financial Statements
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CITY OF GREENBRIER, ARKANSAS
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					Debt Service Fund		Total
	Park		Street		Fire	2018		
	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Act 833	Sales & Use	Tax Bonds	
Revenues								
Sales Taxes	\$1,296,950	\$ 428,954	\$ 857,909	\$ 0	\$ 0	\$ 648,475		\$3,232,288
State Aid	0	0	0	22,122	0	0		22,122
Interest Income/(Expense)	4,634	5,811	6,647	244	53	10,280		27,669
Service Fees	21,025	0	0	0	0	0		21,025
Other	12,750	5,000	0	0	4,016	10,000		31,766
Total Revenues	<u>1,335,359</u>	<u>439,765</u>	<u>864,556</u>	<u>22,366</u>	<u>4,069</u>	<u>668,755</u>		<u>3,334,870</u>
Expenditures								
Current:								
General Government	606,198	0	0	0	0	3,150		609,348
Public Safety	0	0	0	33,475	0	0		33,475
Recreation and Culture	0	13,468	0	0	410	0		13,878
Capital Projects	0	0	45,079	0	0	0		45,079
Total Current	<u>606,198</u>	<u>13,468</u>	<u>45,079</u>	<u>33,475</u>	<u>410</u>	<u>3,150</u>		<u>701,780</u>
Debt Services:								
Bond Principal	0	0	0	0	0	285,000		285,000
Bond Interest and Other Charges	0	0	0	0	0	203,294		203,294
Note Payments	0	187,500	0	0	0	0		187,500
Interest Expense	0	11,317	0	0	0	0		11,317
Lease Principal	67,135	0	0	0	0	0		67,135
Lease Interest	5,648	0	0	0	0	0		5,648
Total Debt Services	<u>72,783</u>	<u>198,817</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>488,294</u>		<u>759,894</u>
Total Expenditures	<u>678,981</u>	<u>212,285</u>	<u>45,079</u>	<u>33,475</u>	<u>410</u>	<u>491,444</u>		<u>1,461,674</u>
Excess (Deficiency) of Revenues Over Expenditures	656,378	(227,480)	819,477	(11,109)	3,659	177,311		1,873,196

See Notes to Financial Statements

CITY OF GREENBRIER, ARKANSAS
 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				Debt Service Fund 2018	
	Park Sales Tax	Street Sales Tax	Fire Special Act 833	Greenbrier Youth	Sales & Use Tax Bonds	Total
Other Financing Sources (Uses):						
Grant Revenue	0	0	0	0	100,625	182,786
Loan Proceeds	0	0	0	0	248,065	248,065
Capital Outlay	(94,630)	(404,946)	0	0	(1,566,848)	(2,233,989)
Transfers (Out)	<u>(350,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(350,000)</u>
Total Other Financing Sources (Uses)	<u>(444,630)</u>	<u>(404,946)</u>	<u>0</u>	<u>0</u>	<u>(1,218,158)</u>	<u>(2,153,138)</u>
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	211,748	(177,466)	(11,109)	3,659	(1,040,847)	(279,942)
Fund Balance, December 31, 2019	<u>503,018</u>	<u>1,003,670</u>	<u>36,289</u>	<u>3,471</u>	<u>1,876,182</u>	<u>3,924,101</u>
Fund Balance, December 31, 2020	<u>\$ 714,766</u>	<u>\$ 826,204</u>	<u>\$ 25,180</u>	<u>\$ 7,130</u>	<u>\$ 835,335</u>	<u>\$ 3,644,159</u>

See Notes to Financial Statements

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 1: Nature of Operations and Summary of Significant Accounting Policies

The City of Greenbrier, Arkansas (the City), is a municipal corporation operating under the authority of Arkansas state statute that was incorporated in 1880. The City operates under an elected mayor-council form of government. Eight elected council members and the Mayor set policy for the City. The accounting and reporting policies of the City conform to accounting principles prescribed or permitted by Ark. Code §10-4-412. The following is a summary of the significant accounting and reporting policies of the City.

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.

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 (other than those financed by Enterprise Funds).

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

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.

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.

Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair market value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and payroll taxes 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; (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance - amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

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.

Budget Law

State law required 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 and Street Fund.

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 restricted 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.

Committed fund balances at December 31, 2020 were \$315,698 held for the purchase of fire department equipment and parks building remodel.

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are defined as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities and business-type activities. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. Debt premiums, discounts and deferred losses on refundings are generally deferred and amortized using the effective interest rate method. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of the debt issued and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

Fund Balances - Governmental Funds

The fund balances for the City's governmental funds are displayed in various components:

Nonspendable - Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted - Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changes or lifted only with the consent of resource providers.

Assigned - Assigned fund balances are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies assigned amounts first and then unassigned when an expenditure is incurred for purposes for which the amount in an unrestricted fund balance classification could be used.

NOTE 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law. State law requires that deposits in financial institutions be collateralized with federal depository insurance and other acceptable collateral in specific amounts. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

At December 31, 2020, the City's deposits were fully collateralized and, therefore, were not exposed to custodial credit risk.

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 3: Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. The accounts receivables for the Water and Wastewater Departments are from charges and related penalties for services provided. Below is the detail of receivables for the general, street and the debt service funds, including the applicable allowances for uncollectible accounts:

	General Fund	Street Fund	Other Funds
Sanitation	\$129,757	\$ 0	\$ 0
Sales Taxes	0	31,763	266,505
State Aid	197,065	0	0
Net Total Receivables	<u>\$326,822</u>	<u>\$31,763</u>	<u>\$266,505</u>

NOTE 4: Long-Term Liabilities

Long Term Debt Liabilities at December 31, 2020, were as follow:

Sales and Use Tax Bonds, Series 2018

Bonds in the amount of \$5,875,000 were issued by the City in May 2018 for the purpose of financing capital improvements. The bonds are special obligations of the City payable solely from receipts from sales and use taxes. The interest rates on the bonds range from 3.00% to 3.25%. Principal payments are due annually on June 1. Interest payments are due semiannually on June 1 and December 1. These bonds are subject to mandatory redemption beginning June 1, 2023. The bonds are also subject to redemption at direction of the City.

\$5,455,000

Lease-Purchase

Lease-purchase agreement dated October 31, 2019, with Santander Bank in the amount of \$136,892, with an interest rate of 3.3% for the purchase of five 2019 Dodge Ram trucks. Annual payments of \$37,099 for four years are to be made from the Sales Tax Fund (Special Revenue).

68,342

Lease-Purchase

Lease-purchase agreement dated May 7, 2020 with Santander Bank in the amount of \$30,534, with an interest rate of 3.3% for the purchase of a 2019 Dodge Ram truck. Annual payments of \$8,275 for four years are to be made from the Sales Tax Fund (Special Revenue).

22,259

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 4: Long-Term Liabilities (Continued)

Lease-Purchase

Lease-purchase agreement dated February 6, 2020 with Santander Bank in the amount of \$26,651, with an interest rate of 3.3% for the purchase of a 2019 Dodge Ram truck. Annual payments of \$7,223 for four years are to be made from the Sales Tax Fund (Special Revenue). 19,428

Lease-Purchase

Lease-purchase agreement dated February 28, 2020 with Santander Bank in the amount of \$41,531, with an interest rate of 3.3% for the purchase of a 2020 Dodge Durango. Annual payments of \$11,255 for four years are to be made from the Sales Tax Fund (Special Revenue). 30,276

Note Payable

A promissory note dated December 18, 2020, with First Security Bank in the amount of \$250,000, with an interest rate of 3.8% for the purchase and renovation of a building in the industrial park for use of City services. 250,000

Total Long Term Liabilities \$5,845,305

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on sales and use tax bonds, lease-purchase agreements and notes payable outstanding at December 31, 2020.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 267,252	\$ 222,166
2022	282,180	212,289
2023	255,252	201,866
2024	236,820	193,146
2025	243,801	182,764
2026-2030	1,035,000	811,945
2031-2035	1,215,000	621,514
2036-2040	1,475,000	359,300
2041-2043	835,000	0
	<u>\$5,845,305</u>	<u>\$2,804,990</u>

The City's outstanding notes from direct borrowings of \$390,305 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.

Compensated absences consisted of accrued vacation and sick leave adjusted to current salary cost at December 31, 2020 was \$169,310. Due to the City's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 5: INTERFUND TRANSFERS

The Sales tax fund transferred \$350,000 to the General fund in the Aggregate for operations.

NOTE 6: Related Party

During the year the City paid approximately \$8,100 in engineering fees for a street construction project to a business owned by a member of management.

NOTE 7: Pension Plan

**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.

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 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 \$2,189 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 \$106,881.

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 8: Profit-Sharing Plan

The City implemented a retirement plan, known as the City of Greenbrier Profit Sharing Plan, on January 1, 1996. The plan trustee is Regions Trust Company and the City is the plan administrator.

Substantially all full-time employees participate in the plan. Employees must complete one full year of service and be at least 18 years of age to participate. The employee must work a minimum of 1,000 hours during the plan year to be credited with a full year of service. The City is required to make a discretionary contribution each year. A participant in the plan must have received credit for at least 501 hours of service during the plan year to receive an allocation of the employer contributions or forfeitures for the plan year.

For the year ended December 31, 2020, the employer contributed 3% of the eligible participants' compensation. Employees can contribute a voluntary after-tax contribution by payroll deduction in an amount not to exceed 15% of their compensation. Participants in the plan are 100% vested at all times prior to the participants' normal retirement age, death, or disability. Optional forms of benefit payments are available as determined by the participant. The City's Contribution to the plan was a \$42,072 for the year ended December 31, 2020.

NOTE 9: Risk Management

The City has various insurance policies to cover its potential liability risk areas, e.g. automobile, personal property, contents and outside structures and workers' compensation. Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. The AML provides the City with automobile and legal defense coverage. Fixed premiums are set annually by the AML based on such factors as claims experience, employee class multipliers and population. For risks covered by the AML, the City pays no deductible; however, the City pays a \$2,000 fee to the AML for each legal matter it handles. There have been no significant reductions in coverage from 2019 to 2020; nor have settlement amounts exceeded insurance coverage for the current year or the three prior years.

NOTE 10: Subsequent Events

The subsequent events were evaluated through September 30, 2021, which was the date the financial statements were available to be issued

NOTE 11: Capital Assets

The Municipality's capital assets records are summarized below:

	December 31, 2020
Land/Buildings	\$20,188,149
Equipment	5,096,116
Total	<u>\$25,284,265</u>

CITY OF GREENBRIER, ARKANSAS
Notes to Financial Statements
December 31, 2020

NOTE 12: Fund Balances

The City classified fund balances as follows:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Restricted for:			
Debt service	\$ -	\$ -	\$ 835,335
Street maintenance	-	772,437	-
Fire equipment	-	-	-
ACT 833	174,114	-	-
Total restricted	<u>174,114</u>	<u>772,437</u>	<u>25,180</u>
Assigned for:			
Youth sports	-	-	7,130
Recreation and culture	-	-	826,204
Street maintenance	-	-	1,235,544
Total assigned	<u>-</u>	<u>-</u>	<u>2,068,878</u>
Unassigned	<u>520,490</u>	<u>-</u>	<u>714,766</u>
Total fund balances	<u>\$ 694,604</u>	<u>\$ 772,437</u>	<u>\$ 3,644,159</u>

SEARCY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.
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**INDEPENDENT AUDITOR'S 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**

City of Greenbrier, Arkansas
Greenbrier, Arkansas

We have audited, 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, the financial statements of City of Greenbrier, Arkansas, which comprise the statement of financial position - Regulatory Basis as of December 31, 2020, and the related statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Greenbrier Arkansas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Greenbrier, Arkansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Greenbrier, Arkansas' 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.

"Well done is better than well said"

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Greenbrier, Arkansas financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

City of Greenbrier, Arkansas' Response to Findings

City of Greenbrier, Arkansas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Greenbrier, Arkansas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Seary & Associates, LLC
September 30, 2021

CITY OF GREENBRIER, ARKANSAS
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020

Reference No. Finding

2020-001 **Criteria:** Management is responsible for establishing and maintaining effective internal control over financial reporting and the City's assets.

Condition: Individuals have incompatible duties in the cash receipts, cash disbursements and payroll account transaction cycles. Certain individuals are responsible for accessing, recording and monitoring financial transactions, as well as other incompatible duties. Within the cash receipts cycle, certain employees have the ability to receive and maintain custodianship of cash receipts and have recording and monitoring functions. In the cash disbursements cycle, certain employees have access to signed checks and have recording and/or monitoring functions. These employees also perform conflicting duties within the payroll cycle.

Effect: Potentially significant misstatements in the financial statements or significant misappropriations of assets due to error or fraud could occur and not be prevented or detected in a timely manner.

Cause: Duties within the cash receipts, cash disbursements and payroll are not adequately segregated, and monitoring or other compensating controls are not sufficient to reduce the possibility of errors or fraud going undetected in the normal course of business.

Recommendation: Management should periodically evaluate the costs versus the benefits of further segregation of duties and addition of monitoring or other compensating controls and implement those changes it deems to be cost beneficial.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and recommendation. Management will continue to evaluate the costs versus benefit of further segregation of duties and make any changes deemed appropriate that are cost beneficial.

SEARCY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.
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Independent Auditors Report on Compliance with Arkansas State Requirements

The City Council
City of Greenbrier Waterworks
Greenbrier, Arkansas

We have examined management's assertion that the City of Greenbrier Waterworks, complied with the requirements of Arkansas Act 15 of 1985 (the Act) and the following Arkansas statutes during the year ended December 31, 2020.

1. Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
2. Arkansas District Courts and City Courts Accounting Law, § 16-10-201 et seq.;
3. Improvement Contracts §§ 22-9-202 - 22-9-204;
4. Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
5. Investment of public funds, § 19-1-501 et seq.; and
6. Deposit of public funds, §§ 19-8-101 - 19-8-107.

City management is responsible for its compliance with the above Act and statutes. Our responsibility is to express an opinion on the City's compliance with the aforementioned Act and statutes based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with the Act and statutes, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Greenbrier Waterworks, complied with the aforementioned Act and statutes during the year ended December 31, 2020, is fairly stated, in all material respects.

This report is intended solely for the information and use of the governing body, management, and the State of Arkansas and is not intended to be and should not be used by anyone other than these specified parties.


Searcy & Associates, LLC
Monticello, Arkansas

"Well done is better than well said"

City of Greenbrier, Arkansas
Independent Auditor's Reports and Financial Statements
For the Year Ended December 31, 2019

City of Greenbrier, Arkansas
December 31, 2019

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Independent Auditor's Report

The City Council
City of Greenbrier, Arkansas
Greenbrier, Arkansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Greenbrier, Arkansas (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic 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 accounting principles generally accepted in the United States of America; this includes 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated August 24, 2020, 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 that testing, and not to provide an opinion on the effectiveness of the City's 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.

BKD, LLP

Little Rock, Arkansas
August 24, 2020

City of Greenbrier, Arkansas

Management's Discussion and Analysis

December 31, 2019

The discussion and analysis of the City of Greenbrier, Arkansas' (the City), financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. Readers should consider the information presented here in conjunction with the City's financial statements that follow this section.

Financial Highlights

Key financial highlights for 2019 are as follows:

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources as of December 31, 2019, by \$21,373,839.
- The City's reported net position increased by \$689,098 (3.3%) for the 2019 fiscal year. Net position of the governmental activities increased \$736,490. Net position of the City's business-type activities, consisting of water and wastewater operations, decreased by \$47,392 (-0.7%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,282,690. The combined governmental funds balances decreased by \$3,729,940 (-41.4%) from the prior year. The primary component of this change was use of the 2018 bond issuance for the expenditures on capital projects during the year. The majority of governmental fund balances (\$4,283,682) are considered restricted to specific purposes at December 31, 2019, and \$949,581 is reported as unassigned and can be spent at the discretion of the City Council.
- The General Fund reported fund balance of \$1,999,004 at the end of the current year. The unassigned fund balance for the General Fund was \$949,581, or 29.0%, of total 2019 General Fund expenditures. There was a \$84,946 increase in the total fund balance for the General Fund for the year ended December 31, 2019.
- The City's total capital assets increased by \$4,132,161 during the current year. The key factor in the increase was the use 2018 bonds proceeds for capital projects as discussed above.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to that of a private-sector business.

City of Greenbrier, Arkansas
Management's Discussion and Analysis
December 31, 2019

The statement of net position presents information on all of the City's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future periods, e.g., uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government, police and fire, public works, and parks and recreation. The business-type activities of the City consist of water and wastewater operations.

Fund Financial Statements: The analysis of the City's major funds begins on Page 6. Fund financial reports provide detailed information about the City's funds. Based on restrictions on the use of monies, the City has established several funds, which account for the various services provided to our residents. The City presents the fund financials in three types of funds:

- Governmental Funds – The City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in the future periods. These funds are reported using an accounting method known as modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent, in the near future on services provided to residents. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.
- Proprietary Funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities and, therefore, these statements will essentially match. The City's Proprietary Funds consist of Enterprise Funds, which provide services to customers outside the City unit.
- Agency Fund – All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and consist of the City's Agency Fund only. These activities are excluded from the City's government-wide financial statements because the assets cannot be used to finance the City's operations.

City of Greenbrier, Arkansas
Management's Discussion and Analysis
December 31, 2019

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,373,839 at December 31, 2019.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 6,363,309	\$ 9,468,313	\$ 2,548,051	\$ 2,497,536	\$ 8,911,360	\$ 11,965,849
Capital assets (net)	15,558,077	11,232,253	8,118,832	8,312,495	23,676,909	19,544,748
Total assets	21,921,386	20,700,566	10,666,883	10,810,031	32,588,269	31,510,597
Total deferred outflows of resources	63,752	80,805	-	-	63,752	80,805
Total assets and deferred outflows of resources	21,985,138	20,781,371	10,666,883	10,810,031	32,652,021	31,591,402
Current liabilities	1,313,302	484,893	448,571	471,788	1,761,873	956,681
Noncurrent liabilities	5,761,143	6,118,220	3,709,421	3,781,960	9,470,564	9,900,180
Total liabilities	7,074,445	6,603,113	4,157,992	4,253,748	11,232,437	10,856,861
Total deferred inflows of resources	45,745	49,800	-	-	45,745	49,800
Net position						
Net investment in capital assets	10,919,677	10,579,536	4,335,382	4,381,451	15,255,059	14,960,987
Restricted – expendable	577,217	502,739	253,559	-	830,776	502,739
Unrestricted	3,368,054	3,046,183	1,919,950	2,174,832	5,288,004	5,221,015
Total net position	14,864,948	14,128,458	6,508,891	6,556,283	21,373,839	20,684,741
Total liabilities, deferred inflows of resources and net position	\$ 21,985,138	\$ 20,781,371	\$ 10,666,883	\$ 10,810,031	\$ 32,652,021	\$ 31,591,402

The largest portion of the City's net position (\$15,255,059) reflects its investment in capital assets, e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be utilized to liquidate these liabilities. An additional portion of the City's net position (\$830,776) represents resources that are subject to restrictions as to how they may be used. The remaining balance is an unrestricted net position of \$5,288,004, which can be used at the discretion of City Council.

The City's overall net position increased \$689,098 from the prior year. The reasons for the overall increase are discussed in the following sections for the governmental activities and business-type activities.

City of Greenbrier, Arkansas
Management's Discussion and Analysis
December 31, 2019

A condensed version of the statements of activities for the years ended December 31 is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 1,364,563	\$ 1,307,765	\$ 2,557,458	\$ 2,601,302	\$ 3,922,021	\$ 3,909,067
Capital grants/contributions	149,375	-	-	-	149,375	-
General revenues						
Property taxes	205,597	552,299	-	-	205,597	552,299
Sales and use taxes	2,680,341	2,429,471	-	-	2,680,341	2,429,471
Franchise fees	238,781	241,587	-	-	238,781	241,587
General state revenue turnback	411,817	410,440	-	-	411,817	410,440
Investment income	145,410	77,164	21,385	12,908	166,795	90,072
Other	44,697	99,135	-	-	44,697	99,135
Total revenues	5,240,581	5,117,861	2,578,843	2,614,210	7,819,424	7,732,071
Expenses						
General government	1,276,328	1,116,422	-	-	1,276,328	1,116,422
Security of persons and property	559,474	913,487	-	-	559,474	913,487
Utilities and environment	1,170,825	782,634	-	-	1,170,825	782,634
Transportation	794,328	708,603	-	-	794,328	708,603
Culture and recreation	383,483	536,147	-	-	383,483	536,147
Interest long-term debt	319,653	121,753	-	-	319,653	121,753
Water	-	-	1,873,807	1,616,031	1,873,807	1,616,031
Sewer	-	-	752,428	656,731	752,428	656,731
Total expenses	4,504,091	4,179,046	2,626,235	2,272,762	7,130,326	6,451,808
Increase in net position	736,490	938,815	(47,392)	341,448	689,098	1,280,263
Net position – beginning of year	14,128,458	13,189,643	6,556,283	6,214,835	20,684,741	19,404,478
Net position – end of year	\$ 14,864,948	\$ 14,128,458	\$ 6,508,891	\$ 6,556,283	\$ 21,373,839	\$ 20,684,741

Governmental Activities. Governmental activities increased the City's net position by \$736,490 from the prior year for an ending balance of \$14,864,948. This is primarily due to an increase in sales and use taxes and partially offset by an increase in expenses sanitation costs.

Business-Type Activities. Business-type activities decreased the City's net position by \$47,392 to an ending net position of \$6,508,891. The decrease is primarily due to an increase in the cost of water purchased and other operating expenses.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

City of Greenbrier, Arkansas
Management's Discussion and Analysis
December 31, 2019

As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$5,282,690, a decrease of \$3,729,940 during the year. Fund balances of \$4,283,682 are reported as *restricted* for capital projects and debt service. In addition, \$9,666 of the governmental fund balances is *nonspendable*, representing prepaid expenditures and inventory. Of the governmental fund balances, \$39,761 is *assigned* by management for specific purposes. The *unassigned fund balance* of \$949,581 is available for spending at the government's discretion.

The *General Fund* is the chief operating fund of the City. At the end of the year, unassigned fund balance of the General Fund was \$949,581, while the total fund balance increased \$84,946 to \$1,999,004. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.0% of total general fund expenditures, while total fund balance represents 61.0% of general fund expenditures.

The *Street Fund*, a major fund, had an increase of \$208,578 to an overall Street Fund balance of \$1,407,508 at the end of the year, which is restricted for street maintenance and construction. The current year increase was related to a decrease in capital outlays.

The *2018 Sales Tax Project Fund*, a major governmental fund, had an decrease in fund balance of \$4,098,467. The decrease is due to the expenditures on capital projects during the year.

The *Debt Service Fund*, a major governmental fund, had an increase in fund balance of \$95,818. The increase is due to increase in sales tax revenue during the year.

Proprietary Funds. The City's proprietary funds provide the same information found in the government-wide financial statements but with more detail.

Net position at the end of the year amounted to \$4,642,419 for water operations, an increase from the prior year of \$130,335. Net position at the end of the year amounted to \$1,866,472 for wastewater operations, a decrease of \$177,727. The increase in water net position is due to an increase in service revenue. The decrease in wastewater net position is due to an increase in operating expenditures caused primarily by an increase in fiscal charges.

Budgetary Highlights

Final Budget Compared to Actual Results. Actual General Fund expenditures for the year were \$1,477,718 (82.1%) more than final budgeted expenditures due to the actual expenditures being greater than expected for several items. In addition, actual General Fund revenues exceeded final budgeted revenues by \$1,108,259 (49.6%), primarily driven by property and sales tax revenue exceeding projections. Actual Street Fund expenditures for the year were \$10,356 (1.1%) more than final budgeted expenditures due to additional capital expenditures. In addition, actual Street Fund revenues were less than final budgeted revenues by \$80,543 (-6.5%), primarily driven by property and sales tax revenue not meeting projections.

City of Greenbrier, Arkansas
Management's Discussion and Analysis
December 31, 2019

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2019, amounts to \$23,676,909 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and infrastructure. The total increase in the City's investment in capital assets for 2019 was 21.1%, primarily driven by a construction of a new fire station and park.

	Capital Assets at Year-End (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,716,498	\$ 1,694,077	\$ 24,852	\$ 24,852	\$ 1,741,350	\$ 1,718,929
Construction in progress	4,396,749	56,658	-	16,348	4,396,749	73,006
Buildings	2,286,053	2,236,214	164,929	168,860	2,450,982	2,405,074
Machinery and equipment	1,716,516	1,851,960	7,929,051	8,102,435	9,645,567	9,954,395
Streets	5,347,988	5,316,524	-	-	5,347,988	5,316,524
Land improvements	94,273	76,820	-	-	94,273	76,820
Total	\$ 15,558,077	\$ 11,232,253	\$ 8,118,832	\$ 8,312,495	\$ 23,676,909	\$ 19,544,748

Long-Term Debt. At December 31, 2019, the City's primary government had \$9,734,769 of long-term debt outstanding, including bonds payable of \$9,218,587, secured solely by specified revenue sources, *i.e.*, revenue bonds.

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Bonds payable	\$ 5,671,788	\$ 5,933,946	\$ 3,546,799	\$ 3,644,204	\$ 9,218,587	\$ 9,578,150
Compensated absences	67,763	21,038	24,268	7,090	92,031	28,128
Notes payable	187,500	187,500	236,651	286,840	424,151	474,340
Total	\$ 5,927,051	\$ 6,142,484	\$ 3,807,718	\$ 3,938,134	\$ 9,734,769	\$ 10,080,618

Total long-term debt at December 31, 2019, decreased by \$345,849, a decrease of 3.4%. The net decrease is primarily the result of principal payments on bonds and notes payable.

Economic Factors

The City saw an uptick in the economy in 2019 from a residential and commercial development activity. This should continue to increase tax revenue in 2020 for the funding of governmental operations. In addition, the City will continue to work on the capital projects related to the issuance of the 2018 Bonds.

Request for Financial Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Leslie Smith Littell, Administrative Assistant/Bookkeeper, City of Greenbrier, Greenbrier, Arkansas 72058.

City of Greenbrier, Arkansas
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,234,483	\$ 1,896,625	\$ 5,131,108
Receivables, net			
Taxes	561,256	-	561,256
Accounts receivable	127,081	333,969	461,050
Prepaid expenses	6,112	1,302	7,414
Internal balances	29,606	(29,606)	-
Material and supply inventory	3,554	92,202	95,756
Restricted assets			
Cash and cash equivalents	2,287,700	10,219	2,297,919
Certificates of deposit	113,517	243,340	356,857
Land and construction work in progress	6,113,247	24,852	6,138,099
Depreciable capital assets, net	9,444,830	8,093,980	17,538,810
	<u>21,921,386</u>	<u>10,666,883</u>	<u>32,588,269</u>
Deferred Outflows of Resources			
Deferred amounts for pension items	63,752	-	63,752
	<u>63,752</u>	<u>-</u>	<u>63,752</u>
Total deferred outflows of resources	<u>63,752</u>	<u>-</u>	<u>63,752</u>
Liabilities			
Accounts payable	767,477	-	767,477
Accrued liabilities	62,960	319,184	382,144
Accrued interest payable	130,365	31,090	161,455
Long-term liabilities			
Due within one year	352,500	98,297	450,797
Due in more than one year	5,574,551	3,709,421	9,283,972
Net pension liability	186,592	-	186,592
	<u>7,074,445</u>	<u>4,157,992</u>	<u>11,232,437</u>
Total liabilities	<u>7,074,445</u>	<u>4,157,992</u>	<u>11,232,437</u>
Deferred Inflows of Resources			
Deferred inflows of resources – pension	45,745	-	45,745
	<u>45,745</u>	<u>-</u>	<u>45,745</u>
Total deferred inflows of resources	<u>45,745</u>	<u>-</u>	<u>45,745</u>
Net Position			
Net investment in capital assets	10,919,677	4,335,382	15,255,059
Restricted – expendable			
Debt service	577,217	253,559	830,776
Unrestricted	3,368,054	1,919,950	5,288,004
	<u>14,864,948</u>	<u>6,508,891</u>	<u>21,373,839</u>
Total net position	<u>\$ 14,864,948</u>	<u>\$ 6,508,891</u>	<u>\$ 21,373,839</u>

City of Greenbrier, Arkansas
Statement of Activities
Year Ended December 31, 2019

Functions/Programs Primary Government	Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
General government	\$ 1,276,328	\$ 45,969	\$ -	\$ (1,230,359)	\$ -	\$ (1,230,359)
Security of persons and property	559,474	345,712	-	(213,762)	-	(213,762)
Utilities and environment	1,170,825	796,616	-	(374,209)	-	(374,209)
Transportation	794,328	-	-	(794,328)	-	(794,328)
Culture and recreation	383,483	176,266	149,375	(57,842)	-	(57,842)
Interest expense on long-term debt	319,653	-	-	(319,653)	-	(319,653)
Total governmental activities	<u>4,504,091</u>	<u>1,364,563</u>	<u>149,375</u>	<u>(2,990,153)</u>	<u>-</u>	<u>(2,990,153)</u>
Business-Type Activities:						
Water	1,873,807	1,994,857	-	-	121,050	121,050
Wastewater	752,428	562,601	-	-	(189,827)	(189,827)
Total business-type activities	<u>2,626,235</u>	<u>2,557,458</u>	<u>-</u>	<u>-</u>	<u>(68,777)</u>	<u>(68,777)</u>
Total primary government	<u>\$ 7,130,326</u>	<u>\$ 3,922,021</u>	<u>\$ 149,375</u>	<u>\$ (2,990,153)</u>	<u>\$ (68,777)</u>	<u>\$ (3,058,930)</u>
General Revenues:						
General property taxes				\$ 205,597	\$ -	\$ 205,597
Sales and use taxes				2,680,341	-	2,680,341
Franchise fees				238,781	-	238,781
General state revenue turnback				411,817	-	411,817
Investment income				145,410	21,385	166,795
Other				44,697	-	44,697
Total general revenues				<u>3,726,643</u>	<u>21,385</u>	<u>3,748,028</u>
Change in Net Position				736,490	(47,392)	689,098
Net Position – Beginning of Year				<u>14,128,458</u>	<u>6,556,283</u>	<u>20,684,741</u>
Net Position – End of Year				<u>\$ 14,864,948</u>	<u>\$ 6,508,891</u>	<u>\$ 21,373,839</u>

City of Greenbrier, Arkansas
Balance Sheet – Governmental Funds
December 31, 2019

	<u>General Fund</u>	<u>Street Fund</u>	<u>2018 Sales Tax Project Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 1,613,875	\$ 1,471,233	\$ 149,375	\$ -	\$ -	\$ 3,234,483
Accounts receivable, net of allowance	426,999	214,991	-	46,347	-	688,337
Due from other funds	181,682	194,716	-	-	-	376,398
Prepaid expenses	5,992	120	-	-	-	6,112
Material and supply inventory	-	3,554	-	-	-	3,554
Restricted assets						
Cash and cash equivalents	4,131	-	1,824,000	459,569	-	2,287,700
Certificates of deposit	113,517	-	-	-	-	113,517
Total assets	<u>\$ 2,346,196</u>	<u>\$ 1,884,614</u>	<u>\$ 1,973,375</u>	<u>\$ 505,916</u>	<u>\$ -</u>	<u>\$ 6,710,101</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 146,950	\$ 17,414	\$ 603,113	\$ -	\$ -	\$ 767,477
Accrued liabilities	53,076	9,884	-	-	-	62,960
Due to other funds	-	346,792	-	-	-	346,792
Total liabilities	<u>200,026</u>	<u>374,090</u>	<u>603,113</u>	<u>-</u>	<u>-</u>	<u>1,177,229</u>
Deferred Inflows of Resources						
Unavailable revenues	147,166	103,016	-	-	-	250,182
Total deferred inflows of resources	<u>147,166</u>	<u>103,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,182</u>
Fund Balances						
Nonspendable	5,992	3,674	-	-	-	9,666
Restricted	1,003,670	1,403,834	1,370,262	505,916	-	4,283,682
Assigned	39,761	-	-	-	-	39,761
Unassigned	949,581	-	-	-	-	949,581
Total fund balance	<u>1,999,004</u>	<u>1,407,508</u>	<u>1,370,262</u>	<u>505,916</u>	<u>-</u>	<u>5,282,690</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,346,196</u>	<u>\$ 1,884,614</u>	<u>\$ 1,973,375</u>	<u>\$ 505,916</u>	<u>\$ -</u>	<u>\$ 6,710,101</u>

City of Greenbrier, Arkansas
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2019

Total Fund Balances – Governmental Funds	\$ 5,282,690
 Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	15,558,077
Property tax receivable that is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue in the funds.	250,182
Long-term liabilities and deferred inflows/outflows of resources that are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable on long-term debt	(130,365)
Accrued compensated absences	(67,763)
Net pension liability	(186,592)
Bonds payable, net	(5,671,788)
Notes payable	(187,500)
Deferred inflows/outflows of resources related to pensions	18,007
 Total Net Position – Governmental Activities	 \$ 14,864,948

City of Greenbrier, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2019

	General Fund	Street Fund	2018 Sales Tax Project Fund	Debt Service Fund	Other Governmental Fund	Total Governmental Funds
Revenues						
Taxes	\$ 1,655,385	\$ 1,136,498	\$ -	\$ 544,990	\$ -	\$ 3,336,873
Licenses and permits	43,346	-	-	-	-	43,346
Charges for services	1,268,537	-	-	-	-	1,268,537
Fines and forfeitures	183,131	-	-	-	-	183,131
Interest and other earnings	26,774	14,011	99,508	5,117	-	145,410
Miscellaneous	164,327	4,133	149,375	-	-	317,835
Total revenues	<u>3,341,500</u>	<u>1,154,642</u>	<u>248,883</u>	<u>550,107</u>	<u>-</u>	<u>5,295,132</u>
Expenditures						
Current						
General government	1,086,570	-	-	-	-	1,086,570
Security of persons and property	503,033	-	-	-	-	503,033
Utilities and environment	784,639	-	-	-	-	784,639
Culture and recreation	383,483	-	-	-	-	383,483
Transportation	-	517,531	-	-	-	517,531
Capital outlay	385,930	428,533	4,347,350	-	-	5,161,813
Debt service						
Principal	130,000	-	-	135,000	-	265,000
Interest	3,714	-	-	315,939	-	319,653
Agent fees	-	-	-	3,350	-	3,350
Total expenditures	<u>3,277,369</u>	<u>946,064</u>	<u>4,347,350</u>	<u>454,289</u>	<u>-</u>	<u>9,025,072</u>
Excess (Deficiency) of Revenues over Expenditures	<u>64,131</u>	<u>208,578</u>	<u>(4,098,467)</u>	<u>95,818</u>	<u>-</u>	<u>(3,729,940)</u>
Other Financing Sources (Uses)						
Transfers in	20,815	-	-	-	-	20,815
Transfers out	-	-	-	-	(20,815)	(20,815)
Total other financing sources (uses)	<u>20,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,815)</u>	<u>-</u>
Change in Fund Balances	<u>84,946</u>	<u>208,578</u>	<u>(4,098,467)</u>	<u>95,818</u>	<u>(20,815)</u>	<u>(3,729,940)</u>
Fund Balances, Beginning of Year	<u>1,914,058</u>	<u>1,198,930</u>	<u>5,468,729</u>	<u>410,098</u>	<u>20,815</u>	<u>9,012,630</u>
Fund Balances, End of Year	<u>\$ 1,999,004</u>	<u>\$ 1,407,508</u>	<u>\$ 1,370,262</u>	<u>\$ 505,916</u>	<u>\$ -</u>	<u>\$ 5,282,690</u>

City of Greenbrier, Arkansas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2019

Net Change in Fund Balances – Total Governmental Funds	\$ (3,729,940)
<p>Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>	
Capital asset purchases	5,101,776
Depreciation expense	(763,364)
Loss on disposal of capital assets	(15,430)
<p>Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	(39,119)
<p>The repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
	265,000
<p>Current year changes in certain liabilities and related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	(17,892)
Accrued compensated absences	(46,725)
Net pension liabilities and related deferred outflows and inflows	(17,816)
	(17,816)
Change in Net Position of Governmental Activities	\$ 736,490

City of Greenbrier, Arkansas
Statement of Net Position – Proprietary Funds
December 31, 2019

	Business-Type Activities		
	Water	Wastewater	Totals
Assets			
Current Assets			
Cash and equivalents	\$ 1,704,442	\$ 192,183	\$ 1,896,625
Accounts receivable	243,004	90,965	333,969
Due from other funds	-	199,670	199,670
Prepaid expenses	584	718	1,302
Material and supply inventory	78,375	13,827	92,202
Total current assets	<u>2,026,405</u>	<u>497,363</u>	<u>2,523,768</u>
Noncurrent Assets			
Restricted cash and cash equivalents	10	10,209	10,219
Restricted certificates of deposit	204,209	39,131	243,340
Capital assets			
Land and construction in progress	24,852	-	24,852
Buildings and structures	212,368	-	212,368
Machinery and equipment	6,434,408	6,981,712	13,416,120
Less: accumulated depreciation	<u>(2,750,044)</u>	<u>(2,784,464)</u>	<u>(5,534,508)</u>
Capital assets, net	<u>3,921,584</u>	<u>4,197,248</u>	<u>8,118,832</u>
Total noncurrent assets	<u>4,125,803</u>	<u>4,246,588</u>	<u>8,372,391</u>
Total assets	<u>\$ 6,152,208</u>	<u>\$ 4,743,951</u>	<u>\$ 10,896,159</u>
Liabilities			
Current Liabilities			
Accrued liabilities	\$ 311,920	\$ 7,264	\$ 319,184
Accrued interest	4,309	26,781	31,090
Due to other funds	229,276	-	229,276
Current portion of bonds payable	46,004	-	46,004
Current portion of note payable	52,293	-	52,293
Total current liabilities	<u>643,802</u>	<u>34,045</u>	<u>677,847</u>
Noncurrent Liabilities			
Revenue bonds payable, net of unamortized premium	664,305	2,836,490	3,500,795
Note payable	184,358	-	184,358
Compensated absences	17,324	6,944	24,268
Total noncurrent liabilities	<u>865,987</u>	<u>2,843,434</u>	<u>3,709,421</u>
Total liabilities	<u>1,509,789</u>	<u>2,877,479</u>	<u>4,387,268</u>
Net Position			
Net investment in capital assets	2,974,624	1,360,758	4,335,382
Restricted for debt service	204,219	49,340	253,559
Unrestricted	<u>1,463,576</u>	<u>456,374</u>	<u>1,919,950</u>
Total net position	<u>\$ 4,642,419</u>	<u>\$ 1,866,472</u>	<u>\$ 6,508,891</u>

City of Greenbrier, Arkansas
Statement of Revenues, Expenses and Changes in
Net Position – Proprietary Funds
Year Ended December 31, 2019

	Business-Type Activities		
	Water	Wastewater	Totals
Operating Revenues			
Charges for services	\$ 1,844,639	\$ 506,694	\$ 2,351,333
Other operating revenues	150,218	55,907	206,125
Total operating revenues	<u>1,994,857</u>	<u>562,601</u>	<u>2,557,458</u>
Operating Expenses			
Salaries and wages	260,611	177,161	437,772
Water purchased	1,072,314	-	1,072,314
Materials and supplies	16,009	43,386	59,395
Repairs and maintenance	112,410	70,808	183,218
Utilities	31,431	84,095	115,526
Chemicals and tests	2,026	10,934	12,960
Office supplies and postage	937	1,061	1,998
Legal and audit	9,006	9,650	18,656
Insurance	23,117	19,347	42,464
Payroll taxes	16,502	10,550	27,052
Other operating expenses	128,140	21,880	150,020
Depreciation expense	151,732	117,453	269,185
Total operating expenses	<u>1,824,235</u>	<u>566,325</u>	<u>2,390,560</u>
Operating Income (Loss)	<u>170,622</u>	<u>(3,724)</u>	<u>166,898</u>
Nonoperating Revenues (Expenses)			
Interest revenue	19,075	2,310	21,385
Interest expenses and fiscal charges	(49,572)	(186,103)	(235,675)
Net Nonoperating Revenues (Expenses)	<u>(30,497)</u>	<u>(183,793)</u>	<u>(214,290)</u>
Transfers In (Out)	<u>(9,790)</u>	<u>9,790</u>	<u>-</u>
Change in Net Position	130,335	(177,727)	(47,392)
Net Position, Beginning of Year	<u>4,512,084</u>	<u>2,044,199</u>	<u>6,556,283</u>
Net Position, End of Year	<u>\$ 4,642,419</u>	<u>\$ 1,866,472</u>	<u>\$ 6,508,891</u>

City of Greenbrier, Arkansas
Statement of Cash Flows – Proprietary Funds
Year Ended December 31, 2018

	Business-Type Activities		
	Water	Wastewater	Totals
Operating Activities			
Cash received from customers and users	\$ 1,978,256	\$ 475,758	\$ 2,454,014
Payments to suppliers	(1,372,273)	(246,030)	(1,618,303)
Payments to employees	(267,005)	(184,229)	(451,234)
Other operating receipts	150,218	55,945	206,163
Net cash provided by operating activities	<u>489,196</u>	<u>101,444</u>	<u>590,640</u>
Capital and Related Financing Activities			
Purchase of capital assets	(66,000)	(9,522)	(75,522)
Transfers in (out)	(9,790)	9,790	-
Principal paid on debt	(94,084)	(2,890,000)	(2,984,084)
Proceeds from issuance of long-term debt	-	2,836,490	2,836,490
Interest and fees paid on debt	(49,572)	(186,103)	(235,675)
Net cash used in capital and related financing activities	<u>(219,446)</u>	<u>(239,345)</u>	<u>(458,791)</u>
Investing Activities			
Interest and dividends received	15,554	1,809	17,363
Net cash provided by investing activities	<u>15,554</u>	<u>1,809</u>	<u>17,363</u>
Net Increase (Decrease) in Cash and Cash Equivalents	285,304	(136,092)	149,212
Cash and Cash Equivalents, Beginning of Year	<u>1,419,148</u>	<u>338,484</u>	<u>1,757,632</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,704,452</u>	<u>\$ 202,392</u>	<u>\$ 1,906,844</u>
Presented on the Statement of Fund Net Position – Proprietary Funds as follows:			
Cash and cash equivalents	\$ 1,704,442	\$ 192,183	\$ 1,896,625
Restricted cash and cash equivalents	10	10,209	10,219
	<u>\$ 1,704,452</u>	<u>\$ 202,392</u>	<u>\$ 1,906,844</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities			
Operating income (loss)	\$ 170,622	\$ (3,724)	\$ 166,898
Adjustment to reconcile operating income to net cash provided by operating activities			
Depreciation expense	151,732	117,453	269,185
Changes in			
Receivables, net	18,157	11,607	29,764
Due to/due from other funds, net	115,460	(42,505)	72,955
Accounts payable	-	(4,216)	(4,216)
Accrued expenses	33,225	22,829	56,054
Net cash provided by operating activities	<u>\$ 489,196</u>	<u>\$ 101,444</u>	<u>\$ 590,640</u>

City of Greenbrier, Arkansas
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2019

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 36,688
Total assets	<u>36,688</u>
Liabilities	
Due to other governmental agencies	<u>36,688</u>
Total liabilities	<u>\$ 36,688</u>

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The City of Greenbrier, Arkansas (the City), is a municipal corporation operating under the authority of Arkansas state statute that was incorporated in 1880. The City operates under an elected mayor-council form of government. Eight elected council members and the Mayor set policy for the City. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City.

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the City of Greenbrier, Arkansas. The City includes in its primary government all funds, account groups, departments, agencies, boards, and commissions.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide statements and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Expenses that cannot be specifically identified to a particular function are charged to funds based on time spent for that function and are included in the functional categories. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund type—governmental, proprietary and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All other governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits and charges for services.

The *Street Fund* accounts for gasoline and road taxes received from the state and county levies. Revenues are expended for maintenance and repair of streets and sidewalks.

The *2018 Sales Tax Project Fund* accounts for the acquisition and construction of major capital facilities financed with the proceeds of the 2018 Sales and Use Tax Bonds.

The *Debt Service Fund* accounts for financial resources that are restricted for principal and interest-related costs as well as the financial resources being accumulated for future debt service.

The City reports two major enterprise funds. They account for the City's Water Department operations and the City's Wastewater Department, which are primarily supported by user charges.

Additionally, the City reports an *Agency Fund* that accounts for monies collected and held by the City until they are disbursed to various governmental agencies.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Funds

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

In proprietary funds, operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the fund. All revenues and expenses not meeting this definition are reported as nonoperating items.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Nonexchange transactions, in which the City receives (or gives) value without directly giving (or receiving) equal value in exchange, include taxes; fines and forfeitures; grants, entitlements and similar items; and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Taxes and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Grants, entitlements and donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met.

Amounts received before all eligibility requirements have been met are reported as unearned revenues. Grants and similar aid to other organizations are recognized as expenses as soon as recipients have met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in available spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of general long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available.

The City considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds and investment earnings. Other revenues are considered to be measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences and obligations for workers' compensation, which are recognized as expenditures when payment is due. Pension expenditures are recognized when amounts are due to a plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Cash and Cash Equivalents

The City considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019, cash equivalents consisted primarily of money market accounts with broker.

Certificates of Deposit and Investment Income

Certificates of deposit are nonnegotiable and are carried at amortized cost. Investment income includes interest from the certificates of deposit and cash equivalents. Investment income is assigned to funds with which the related asset is associated.

Prepaid Items

Prepaid items in governmental funds are accounted for under the consumption method.

Capital Assets

Capital assets, which include infrastructure, are reported in the government-wide financial statements and the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Capital assets are defined as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year.

Capital assets are depreciated using the straight-line method using the following estimated useful lives:

	<u>Years</u>
Buildings	10–50
Equipment	3–25
Streets	30–40
Water and Sewer Distribution	40–50

Depreciation expense is charged directly to the department/function based on the department that utilizes the related asset.

City of Greenbrier, Arkansas

Notes to Financial Statements

December 31, 2019

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities and business-type activities. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. Debt premiums, discounts and deferred losses on refundings are generally deferred and amortized using the effective interest rate method. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of the debt issued and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the City's fiduciary net position in the Local Police and Fire Retirement System and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. Each of the items are related to pensions, with one being the amount of contributions made to the pension plans after the measurement date. The others include the difference between expected and actual experience and differences related to change in assumptions and in the proportionate share. Deferred outflows related to contributions made after the measurement date will be used in the next year to reduce the net pension liability. The remaining amounts will be amortized to pension expense over future periods as shown within *Note 10*.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include unavailable property tax revenues and grant revenues in the governmental funds and deferred pension inflows in the government-wide statement of net position and proprietary funds statement of net position. Unavailable revenue arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, this item is only reported in the governmental funds balance sheet. Governmental funds report unavailable revenue from property taxes and grants receivable. The other item, deferred pension inflows, consists of the net difference between the expected and actual experience related to the pension plans as well as the net difference in investment experience between actual earnings and projected earnings on pension plan investments and changes in proportionate share. Deferred pension inflows are amortized to pension expense over future periods as shown within *Note 10*.

Fund Balances – Governmental Funds

The fund balances for the City's governmental funds are displayed in various components:

Nonspendable – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Assigned – Assigned fund balances are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies assigned amounts first and then unassigned when an expenditure is incurred for purposes for which the amount in an unrestricted fund balance classification could be used.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Net Position

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and street funds. All annual appropriations lapse at year-end and are re-established in the succeeding year. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Mayor submits to the City Council a proposed operating budget for the fiscal year. Detailed line item budgets are prepared for administrative control. The level of control administered for the detailed budgets is with the department heads at the functional level.
2. Notices of Council Meetings considering the budget are published and open to the public.
3. The budget is legally enacted through majority vote of the City Council prior to the deadline set by state law.
4. The Mayor is required to present a monthly report to the City Council explaining any variances from the approved budget.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgetary data for the Capital Projects Funds has not been presented in the accompanying combined and combining financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.
7. Appropriations lapse at the end of each fiscal year.
8. The City Council may authorize supplemental appropriations during the year from unappropriated monies.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Property Taxes

Property taxes are levied each November 1 on the assessed value listed as of January 1 for all real and personal property. The property tax is considered due on the first Monday in February (the lien date) after the levy; however, the tax is not considered delinquent until October 16 of that year. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period. Property taxes that remain delinquent for a period of three years are certified to the land commissioner where a lien is recorded and held on file. If property taxes remain delinquent for a period of seven years, the property will be subsequently sold by the land commissioner.

In the governmental funds, property taxes are measurable when levied even though not available. As a result, at December 31, 2019, property taxes receivable of \$319,434 and related deferred inflow of resources of have been recorded in the governmental funds. In the government-wide statements, property taxes are considered earned at the time levied. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible. The appraised value of taxable property upon which the property tax is levied is determined by the county assessor.

Future Adoption of Accounting Pronouncements

GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to December 31, 2019:

<u>Statement No.</u>	<u>Adoption Required in Fiscal Year</u>
84 <i>Fiduciary Activities</i>	2020
87 <i>Leases</i>	2022
88 <i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement</i>	2020
91 <i>Conduit Debt Obligations</i>	2022
93 <i>Replacement of Interbank Offered Rates</i>	2021/2022
94 <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96 <i>Subscription-Based Information Technology Arrangements</i>	2023
97 <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32</i>	Various

The City has not yet determined the potential impact, if any, that these statements could have on its financial statements.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Note 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law. State law requires that deposits in financial institutions be collateralized with federal depository insurance and other acceptable collateral in specific amounts. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

At December 31, 2019, the City's deposits were fully collateralized and, therefore, were not exposed to custodial credit risk.

Summary of Carrying Values

The carrying values of deposits shown above are included in the financial statements as follows:

Carrying value		
Deposits		\$ 7,822,572
		\$ 7,822,572
Included in the following statement of net position captions		
Cash and cash equivalents	\$ 5,131,108	
Certificates of deposit	356,857	
Restricted cash and cash equivalents	2,297,919	
Included in the following fiduciary net assets caption		
Cash and cash equivalents	36,688	
		\$ 7,822,572

City of Greenbrier, Arkansas

Notes to Financial Statements

December 31, 2019

Note 3: Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. The accounts receivables for the Water and Wastewater Departments are from charges and related penalties for services provided. Below is the detail of receivables for the general, street and the debt service funds, including the applicable allowances for uncollectible accounts:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Debt Service</u>	<u>Total</u>
Property taxes	\$ 180,710	\$ 151,892	\$ -	\$ 332,602
Sales taxes	126,954	68,521	46,347	241,822
Other	<u>127,081</u>	<u>-</u>	<u>-</u>	<u>127,081</u>
Gross receivables	434,745	220,413	46,347	701,505
Allowance	<u>(7,746)</u>	<u>(5,422)</u>	<u>-</u>	<u>(13,168)</u>
Net total receivables	<u>\$ 426,999</u>	<u>\$ 214,991</u>	<u>\$ 46,347</u>	<u>\$ 688,337</u>

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Note 4: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2019, is presented below:

<u>Governmental Activities</u>	<u>Balance, December 31, 2018</u>	<u>Additions and Transfers, Net</u>	<u>Retirements and Transfers, Net</u>	<u>Balance, December 31, 2019</u>
Capital assets, non-depreciable				
Land	\$ 1,694,077	\$ 22,421	\$ -	\$ 1,716,498
Construction in progress	<u>56,658</u>	<u>4,351,043</u>	<u>10,952</u>	<u>4,396,749</u>
Total capital assets, non-depreciable	<u>1,750,735</u>	<u>4,373,464</u>	<u>10,952</u>	<u>6,113,247</u>
Capital assets, depreciable				
Buildings	3,858,856	97,289	-	3,956,145
Machinery and equipment	4,277,352	188,607	66,322	4,399,637
Streets	7,236,637	417,650	-	7,654,287
Land improvements	<u>78,790</u>	<u>24,766</u>	<u>-</u>	<u>103,556</u>
Total capital assets, depreciable	<u>15,451,635</u>	<u>728,312</u>	<u>66,322</u>	<u>16,113,625</u>
Less accumulated depreciation				
Buildings	1,622,642	47,450	-	1,670,092
Machinery and equipment	2,425,392	322,415	64,686	2,683,121
Streets	1,920,113	386,186	-	2,306,299
Land improvement	<u>1,970</u>	<u>7,313</u>	<u>-</u>	<u>9,283</u>
Total accumulated depreciation	<u>5,970,117</u>	<u>763,364</u>	<u>64,686</u>	<u>6,668,795</u>
Total governmental activities, net	<u>\$ 11,232,253</u>	<u>\$ 4,338,412</u>	<u>\$ 12,588</u>	<u>\$ 15,558,077</u>

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Business-Type Activities	Balance, December 31, 2018	Additions and Transfers, Net	Retirements and Transfers, Net	Balance, December 31, 2019
Capital assets, non-depreciable				
Land	\$ 24,852	\$ -	\$ -	\$ 24,852
Construction in progress	16,348	-	16,348	-
Total capital assets, non-depreciable	<u>41,200</u>	<u>-</u>	<u>16,348</u>	<u>24,852</u>
Capital assets, depreciable				
Buildings	216,822	-	-	216,822
Machinery and equipment	13,324,249	91,870	-	13,416,119
Total capital assets, depreciable	<u>13,541,071</u>	<u>91,870</u>	<u>-</u>	<u>13,632,941</u>
Less accumulated depreciation				
Buildings	47,962	3,931	-	51,893
Machinery and equipment	5,221,814	265,254	-	5,487,068
Total accumulated depreciation	<u>5,269,776</u>	<u>269,185</u>	<u>-</u>	<u>5,538,961</u>
Total business-type activities, net	<u>\$ 8,312,495</u>	<u>\$ (177,315)</u>	<u>\$ 16,348</u>	<u>\$ 8,118,832</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 54,823
Security of persons and property	56,441
Utilities and environment	386,186
Transportation	<u>265,914</u>
Total depreciation expense	<u>763,364</u>
Business-type activities	
Water	151,732
Wastewater	<u>117,453</u>
Total depreciation expense	<u>269,185</u>
Total depreciation expense, primary government	<u>\$ 1,032,549</u>

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Note 5: Long-Term Liabilities

Changes in long-term liabilities for the year ended December 31, 2019, were as follows:

Governmental Activities	Balance December 31, 2018	Increases	Decreases	Balance December 31, 2019	Amounts Due in One Year
Bonds payable	\$ 6,005,000	\$ -	\$ 265,000	\$ 5,740,000	\$ 165,000
Unamortized discount	(71,054)	2,842		(68,212)	-
Compensated absences	21,038	46,725	-	67,763	-
Note payable	187,500	-	-	187,500	187,500
Net pension liability	181,774	4,818	-	186,592	-
Total governmental activities long-term liabilities	\$ 6,324,258	\$ 54,385	\$ 265,000	\$ 6,113,643	\$ 352,500

Business-Type Activities	Balance December 31, 2018	Increases	Decreases	Balance December 31, 2019	Amounts Due in One Year
Bonds payable	\$ 3,644,204	\$ 2,825,000	\$ 2,933,895	\$ 3,535,309	\$ 46,004
Unamortized premium	-	11,490	-	11,490	-
Compensated absences	7,090	17,178	-	24,268	-
Note payable	286,840	-	50,189	236,651	52,293
Total business-type activities long-term liabilities	\$ 3,938,134	\$ 2,853,668	\$ 2,984,084	\$ 3,807,718	\$ 98,297

Bonds outstanding at December 31, 2019, were as follows:

Governmental Activities	Interest Rates	Final Maturity	Original Issue	Total Outstanding
Sales and Use Tax Bonds, Series 2018	3-3.25%	2043	\$ 5,875,000	\$ 5,740,000

Business-Type Activities	Interest Rates	Final Maturity	Original Issue	Total Outstanding
2011 Water and Sewer Revenue Bond	4.75%	2041	\$ 1,250,000	\$ 710,309
Water and Sewer Revenue Bonds, Series 2019	2.25-3.125%	2043	2,825,000	2,825,000
				<u>\$ 3,535,309</u>

City of Greenbrier, Arkansas
Notes to Financial Statements
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Sales and Use Tax Bonds, Series 2003 – Bonds in the amount of \$1,635,000 were issued by the City in September 2003 for the purpose of financing the costs of acquiring, constructing, equipping and furnishing a community center. The bonds are special obligations of the City payable solely from receipts from the 1% sales and use tax levied by the City. The interest rates on the bonds range from 1.15% to 4.25%. Principal is payable annually, beginning on September 1, 2004, and interest is payable semiannually through maturity. The bonds were paid in full during 2019.

Sales and Use Tax Bonds, Series 2018 – Bonds in the amount of \$5,875,000 were issued by the City in May 2018 for the purpose of financing capital improvements. The bonds are special obligations of the City payable solely from receipts from sales and use taxes. The interest rates on the bonds range from 3.00% to 3.25%. Principal payments are due annually on June 1. Interest payments are due semiannually on June 1 and December 1. These bonds are subject to mandatory redemption beginning June 1, 2023. These bonds are also subject to redemption at direction of the City beginning June 1, 2023.

2011 Water and Sewer Revenue Bond – A bond in the amount of \$1,250,000 was issued with an interest rate of 4.75% for the purpose of financing improvements to the water facilities. Principal and interest are payable semiannually beginning on December 1, 2011, with the maturity date being June 1, 2041.

Water and Sewer Revenue Bonds, Series 2013 – Bonds in the amount of \$3,165,000 were issued with varying interest rates from 1.00% to 4.10% for the purpose of financing the costs of constructing and improvements to the sewer facilities. Principal is payable annually, beginning on December 1, 2015, and interest is payable semiannually through maturity on December 1, 2043. The bonds were refunded during 2019 by the Series 2019 Bonds.

Water and Sewer Refunding Revenue Bonds, Series 2019 – Bonds in the amount of \$2,825,000 were issued with varying interest rates from 2.25% to 3.125% for the purpose of refunding the City's Water and Sewer Revenue Bonds, Series 2013. Principal is payable annually, beginning on December 1, 2023, and interest is payable semiannually through maturity on December 1, 2043.

Notes Payable

Notes payable at December 31, 2019, were as follows:

Governmental Activities

- A \$750,000 promissory note was issued by the City in January 2015. The entire principal and interest balance is due on January 9, 2020; interest rate 1.97%.

Business-Type Activities

- An \$865,979 promissory note was issued by the City in April 1998 to finance improvements to the water facility. Principal and interest are payable annually through June 1, 2024.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on revenue bonds and notes payable outstanding at December 31, 2019:

Fiscal Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 352,500	\$ 209,669	\$ 98,297	\$ 143,516	\$ 803,982
2021	165,000	204,719	102,703	119,629	592,051
2022	175,000	199,769	107,304	115,028	597,101
2023	180,000	194,519	117,114	110,218	601,851
2024	185,000	189,119	164,455	105,386	643,960
2025–2029	1,005,000	859,088	905,214	436,981	3,206,283
2030–2034	1,175,000	685,785	806,873	289,560	2,957,218
2035–2039	1,415,000	445,400	765,000	178,994	2,804,394
2040–2043	1,275,000	138,200	705,000	55,569	2,173,769
	<u>\$ 5,927,500</u>	<u>\$ 3,126,268</u>	<u>\$ 3,771,960</u>	<u>\$ 1,554,881</u>	<u>\$ 14,380,609</u>

Note 6: Construction Commitments

At December 31, 2019, the City had the following commitments:

	Project Authorization	Expended Through December 31, 2019	Remaining Commitment
Fire Station	\$ 2,155,000	\$ 1,503,411	\$ 651,589
Matthews Park	<u>3,720,000</u>	<u>2,286,531</u>	<u>1,433,469</u>
Total	<u>\$ 5,875,000</u>	<u>\$ 3,789,942</u>	<u>\$ 2,085,058</u>

City of Greenbrier, Arkansas
Notes to Financial Statements
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Note 7: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2019, are as follows:

	Interfund Receivables	Interfund Payables
Governmental funds		
General fund	\$ 181,682	\$ -
Street fund	194,716	346,792
Proprietary funds		
Water	-	229,276
Wastewater	199,670	-
	\$ 576,068	\$ 576,068

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers in and transfers out for the year ended December 31, 2019, are as follows:

	Transfers In	Transfers Out
Governmental funds		
General fund	\$ 20,815	\$ -
Other governmental fund	-	20,815
Proprietary funds		
Water	-	9,790
Wastewater	9,790	-
	\$ 30,605	\$ 30,605

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Note 8: Fund Balances

The City classified governmental fund balances as follows:

Fund Balances	General Fund	Street Fund	2018 Sales Tax Project	Debt Service	Total Governmental Funds
Nonspendable					
Prepays	\$ 5,992	\$ 120	\$ -	\$ -	\$ 6,112
Inventory	-	3,554	-	-	3,554
Restricted					
Debt service	-	-	-	505,916	505,916
Street maintenance	-	902,363	-	-	902,363
Street capital projects	-	501,471	-	-	501,471
Parks capital projects	1,003,670	-	-	-	1,003,670
Capital projects	-	-	1,370,262	-	1,370,262
Assigned					
Youth sports	3,472	-	-	-	3,472
Fire	36,289	-	-	-	36,289
Unassigned	<u>949,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,581</u>
Total Fund Balances	<u>\$ 1,999,004</u>	<u>\$ 1,407,508</u>	<u>\$ 1,370,262</u>	<u>\$ 505,916</u>	<u>\$ 5,282,690</u>

Note 9: Related Party

During the year the City paid approximately \$80,000 in engineering fees for a street construction project to a business owned by a member of management.

Note 10: Pension Plan

The City participates in a cost-sharing multiple-employer defined benefit pension plan.

Local Police and Fire Retirement System (LOPFI)

Plan Description. The Arkansas Local Police and Fire Retirement System (LOPFI) is a statewide cost-sharing multiple-employer defined benefit plan administered by the LOPFI Board of Trustees. LOPFI provides retirement, disability and survivor benefits to police and fire employees of political subdivisions of the State of Arkansas. LOPFI was created by Act 364 of the 1981 General Assembly. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the plan. On January 1, 2008, only firemen of the City participated in the plan. Effective July 1, 2008, policemen of the City began participating in the plan. LOPFI issues a publicly available report, which may be obtained by writing to LOPFI, P.O. Drawer 34164, Little Rock, Arkansas 72203, or by calling 501.682.1745.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Benefits Provided. LOPFI provides for a retirement benefit paid to the member on a monthly basis. The monthly benefit is based on a formula provided by law for the member's lifetime. The member has several options in calculating the benefit, which is normally the result of these factors: age at retirement, retirement multiplier, amount of credit services (years and months), and final average pay (FAP). Each option available to the member provides for a different calculation based on these factors.

Contributions. Contributions to LOPFI are made by the employer. The employer contributions are actuarially determined on an annual basis. Contributions by the City to the plan for the year ended December 31, 2019, were \$1,422.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the City reported a liability of \$186,592 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The City's proportion of the net pension liability was based on the ratio of the City's actual contributions to the plan during the measurement period to the total employer contributions to the plan of the group for the measurement period. At December 31, 2018, the City's proportion was 0.0217%, which was a decrease of 0.0041% from the December 31, 2017, proportion of 0.0258%. For the year ended December 31, 2019, the City recognized pension expense of \$36,046 related to this plan.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,324	\$ 1,701
Change of assumptions	18,696	-
Change in proportion	22,972	44,044
Net difference between projected and actual earnings on pension plan investments	19,338	-
Contributions subsequent to the measurement date	1,422	-
Total	\$ 63,752	\$ 45,745

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,422 will be recognized as a reduction of the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>		
2020	\$	12,167
2021		6,018
2022		(1,545)
2023		647
2024		<u>(702)</u>
Total	<u>\$</u>	<u>16,585</u>

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Paid Service</u>	<u>Volunteer Service</u>
Actuarial valuation date	12/31/16	12/31/16
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level Percentage of Payroll, Closed	Increasing Dollar, Closed
Remaining amortization period	16.8 years	18.5 years
Asset valuation method	5-year smoothed market	5-year smoothed market
Investment rate of return	7.75%	7.75%
Projected salary increases	4.25% – 18.75%	n/a
Price inflation	2.75%	2.75%
Wage inflation	3.75%	n/a

City of Greenbrier, Arkansas
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Mortality rates were based on the RP-2000 Combined Mortality Table Projected to 2017. The actuarial assumptions used in the December 31, 2016, valuation were based on the results of an actuarial experience study for the period January 1, 2012 to December 31, 2016. There were no changes in benefit provisions, assumptions or methods in the December 31, 2016, actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The rates were built on a target allocation for all pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Long-Term Expected Real Rate of Return		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	28%	0.9%
Domestic equity	42%	5.3%
Foreign equity	20%	7.0%
Alternative investments	10%	6.2%
Total	100%	

Discount Rate

In the December 31, 2016, actuarial valuation, a single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Sensitivity of the Net Position Liability (Asset) to the Single Discount Rate Assumption		
	1% Decrease	Current Single Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 269,031	\$ 186,592	\$ 120,850

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LOPFI financial report, which can be found at <http://lopfi-prb.com/lopfi/reports/>.

Note 11: Profit-Sharing Plan

The City implemented a retirement plan, known as the City of Greenbrier Profit Sharing Plan, on January 1, 1996. The plan trustee is Regions Trust Company and the City is the plan administrator.

Substantially all full-time employees participate in the plan. Employees must complete one full year of service and be at least 18 years of age to participate. The employee must work a minimum of 1,000 hours during the plan year to be credited with a full year of service. The City is required to make a discretionary contribution each year. A participant in the plan must have received credit for at least 501 hours of service during the plan year to receive an allocation of the employer contributions or forfeitures for the plan year.

For the year ended December 31, 2019, the employer contributed 3% of the eligible participants' compensation. Employees can contribute a voluntary after-tax contribution by payroll deduction in an amount not to exceed 15% of their compensation. Participants in the plan are 100% vested at all times prior to the participants' normal retirement age, death, or disability. Optional forms of benefit payments are available as determined by the participant.

City of Greenbrier, Arkansas
Notes to Financial Statements
December 31, 2019

Note 12: Risk Management

The City has various insurance policies to cover its potential liability risk areas, *e.g.*, automobile, personal property, contents and outside structures and workers' compensation. Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. The AML provides the City with automobile and legal defense coverage. Fixed premiums are set annually by the AML based on such factors as claims experience, employee class multipliers and population. For risks covered by the AML, the City pays no deductible; however, the City pays a \$2,000 fee to the AML for each legal matter it handles. There have been no significant reductions in coverage from 2018 to 2019; nor have settlement amounts exceeded insurance coverage for the current year or the three prior years.

Note 13: Water Purchase Contract

The City has a contract with Community Water System, Inc. to purchase substantially all of the water utilized by the City's citizens. Under the contract, the City pays Community Water System, Inc. a rate based on water usage. The rates charged are subject to minimum annual contract payments. Water expense for the year ended December 31, 2019, was \$1,072,314.

Note 14: Subsequent Events

In March 2020, the City issued the Series 2020 Water and Sewer Revenue Bond in the amount of \$1,377,000 to finance the costs of acquiring water meters. The Series 2020 Bond has an interest rate of 0% and a service fee of 0.5% per annum of the outstanding principal amount and is due April 15, 2031.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, the State of Arkansas and the City have issued measures around public gatherings and business operations to slow the spread of the virus. As a result of this guidance, the City started to incur revenue decreases and is curtailing certain operational and capital expenditures in response. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Required Supplementary Information

City of Greenbrier, Arkansas
Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 760,230	\$ 760,230	\$ 1,655,385	\$ 895,155
Licenses and permits	43,026	43,026	43,346	320
Charges for services	1,250,256	1,250,256	1,268,537	18,281
Fines and forfeitures	23,732	23,732	183,131	159,399
Grants and contributions	2,300	2,300	-	(2,300)
Interest and other earnings	10,907	10,907	26,774	15,867
Miscellaneous	142,790	142,790	164,327	21,537
Total revenues	<u>2,233,241</u>	<u>2,233,241</u>	<u>3,341,500</u>	<u>1,108,259</u>
Expenditures				
Current:				
General government	775,353	775,353	1,086,570	311,217
Security of persons and property	542,753	542,753	503,033	(39,720)
Utilities and environment	-	-	784,639	784,639
Culture and recreation	238,919	238,919	383,483	144,564
Debt service:				
Principal	133,714	133,714	130,000	(3,714)
Interest	-	-	3,714	3,714
Capital outlay	108,912	108,912	385,930	277,018
Total general government	<u>1,799,651</u>	<u>1,799,651</u>	<u>3,277,369</u>	<u>1,477,718</u>
Total expenditures	<u>1,799,651</u>	<u>1,799,651</u>	<u>3,277,369</u>	<u>1,477,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>433,590</u>	<u>433,590</u>	<u>64,131</u>	<u>(369,459)</u>
Other Financing Sources (Uses)				
Transfers out	(600,000)	(600,000)	-	600,000
Transfers in	(600,000)	(600,000)	20,815	620,815
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>20,815</u>	<u>1,220,815</u>
Change in Fund Balances	(766,410)	(766,410)	84,946	851,356
Fund Balances, Beginning of Year	<u>1,914,058</u>	<u>1,914,058</u>	<u>1,914,058</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,147,648</u>	<u>\$ 1,147,648</u>	<u>\$ 1,999,004</u>	<u>\$ 851,356</u>

City of Greenbrier, Arkansas
Budgetary Comparison Schedule – Street Fund
Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 1,217,063	\$ 1,217,063	\$ 1,136,498	\$ (80,565)
Interest and other earnings	13,989	13,989	14,011	22
Miscellaneous	4,133	4,133	4,133	-
Total revenues	<u>1,235,185</u>	<u>1,235,185</u>	<u>1,154,642</u>	<u>(80,543)</u>
Expenditures				
Current:				
Transportation	521,335	521,335	517,531	(3,804)
Capital outlay	414,373	414,373	428,533	14,160
Total expenditures	<u>935,708</u>	<u>935,708</u>	<u>946,064</u>	<u>10,356</u>
Change in Fund Balances	299,477	299,477	208,578	(90,899)
Fund Balances, Beginning of Year	<u>1,198,930</u>	<u>1,198,930</u>	<u>1,198,930</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,498,407</u>	<u>\$ 1,498,407</u>	<u>\$ 1,407,508</u>	<u>\$ (90,899)</u>

City of Greenbrier, Arkansas
Cost-Sharing Plan

Schedule of the City's Proportionate Share of the Net Pension Liability – LOPFI
Year Ended December 31, 2019

Fiscal Year Ended December 31,	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.0217%	0.0258%	0.0343%	0.0313%	0.0214%
City's proportionate share of the net pension liability	\$ 186,592	\$ 186,592	\$ 199,952	\$ 168,647	\$ 94,451
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net pension liability as a percentage of its covered payroll	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability	65.84%	71.17%	72.46%	72.41%	78.42%

Note: Information in this schedule has been determined as of the measurement date (December 31 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

City of Greenbrier, Arkansas
Cost-Sharing Plan
Schedule of Contributions – LOPFI
Year Ended December 31, 2019

Fiscal Year Ended December 31,	2019	2018	2017	2016	2015
Actuarially required contribution	\$ 1,422	\$ 1,176	\$ 1,562	\$ 1,624	\$ 1,558
Contributions in relation to the actuarially required contribution	<u>(1,422)</u>	<u>(1,176)</u>	<u>(1,562)</u>	<u>(1,624)</u>	<u>(1,558)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

Other Required Reports

Independent Accountant's Report on Compliance Arkansas State Requirements

The City Council
City of Greenbrier, Arkansas
Greenbrier, Arkansas

We have examined management's assertion that the City of Greenbrier, Arkansas (the City), complied with the requirements of Arkansas Act 15 of 1985 (the Act) and the following Arkansas statutes during the year ended December 31, 2019.

- (1) Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
- (2) Arkansas District Courts and City Courts Accounting Law, § 16-10-201 et seq.;
- (3) Improvement contracts, §§ 22-9-202 – 22-9-204;
- (4) Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
- (5) Investment of public funds, § 19-1-501 et seq.; and
- (6) Deposit of public funds, §§ 19-8-101 – 19-8-107.

City management is responsible for its compliance with the above Act and statutes. Our responsibility is to express an opinion on the City's compliance with the aforementioned Act and statutes based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with the Act and statutes, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Greenbrier, Arkansas, complied with the aforementioned Act and statutes during the year ended December 31, 2019, is fairly stated, in all material respects.

This report is intended solely for the information and use of the governing body, management, and the State of Arkansas and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Little Rock, Arkansas
August 24, 2020

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

The City Council
City of Greenbrier, Arkansas
Greenbrier, Arkansas

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund of the City of Greenbrier, Arkansas (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated August 24, 2020.

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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness and a certain deficiency in internal control that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-001 to be a significant deficiency.

Compliance and Other Matter

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, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

Management's Responses to Findings

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

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

BKD, LLP

Little Rock, Arkansas
August 24, 2020

City of Greenbrier, Arkansas
Schedule of Findings and Responses
Year Ended December 31, 2019

Reference Number	Finding
2019-001	<p>Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting and the City's assets.</p> <p>Condition: Individuals have incompatible duties in the cash receipts, cash disbursements and payroll account transaction cycles. Certain individuals are responsible for accessing, recording and monitoring financial transactions, as well as other incompatible duties. Within the cash receipts cycle, certain employees have the ability to receive and maintain custodianship of cash receipts and have recording and monitoring functions. In the cash disbursements cycle, certain employees have access to signed checks and have recording and/or monitoring functions. These employees also perform conflicting duties within the payroll cycle.</p> <p>Effect: Potentially significant misstatements in the financial statements or significant misappropriations of assets due to error or fraud could occur and not be prevented or detected in a timely manner.</p> <p>Cause: Duties within the cash receipts, cash disbursements and payroll cycles are not adequately segregated, and monitoring or other compensating controls are not sufficient to reduce the possibility of errors or fraud going undetected in the normal course of business.</p> <p>Recommendation: Management should periodically evaluate the costs versus the benefits of further segregation of duties and addition of monitoring or other compensating controls and implement those changes it deems to be cost beneficial.</p> <p>Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and recommendation. Management will continue to evaluate the costs versus benefits of further segregation of duties and make any changes deemed appropriate that are cost beneficial.</p>

City of Greenbrier, Arkansas
Schedule of Findings and Responses (Continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-002	<p>Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition: The City's internal control over financial reporting did not detect adjustments related to the City's financial statements that were needed to prevent the financial statements from being materially misstated. Several audit adjusting entries were required to properly present the financial statements.</p> <p>Effect: Potentially significant misstatements in the financial statements could occur and not be prevented or detected in a timely manner.</p> <p>Cause: Proper accounting policies and procedures are not in place related to account reconciliations, review of journal entries and year-end close.</p> <p>Recommendation: We recommend the City strengthen controls and processes related to the preparation and review of account reconciliations and journal entries.</p> <p>Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and recommendation. Management will work to ensure proper policies and procedures are established and followed.</p>

**2020, 2021, and 2022
Annual Budgets**

CITY OF GREENBRIER, ARKANSAS
2020 - 2022 APPROVED BUDGETS

GENERAL FUND	2020		2021		2022	
	BUDGET BY MAJOR CATEGORY		BUDGET BY MAJOR CATEGORY		BUDGET BY MAJOR CATEGORY	
ADMINISTRATION						
INCOME						
FINES, FORFEITURES AND COSTS	\$ 177,520.00		\$ 129,800.00		\$ 133,000.00	
FRANCHISE FEES	252,000.00		252,000.00		302,000.00	
INTEREST	2,050.00		2,500.00		3,000.00	
LEASE REVENUE	5,500.00		5,300.00		5,000.00	
LOCAL PERMITS & FEES	45,800.00		45,800.00		54,100.00	
OTHER REVENUES	71,000.00		52,100.00		52,500.00	
PROPERTY TAXES	140,000.00		120,000.00		190,000.00	
STATE AID	75,000.00		75,000.00		87,000.00	
TRANSFERS IN	300,000.00		350,000.00		500,000.00	
INCOME TOTAL - ADMIN	\$1,068,870.00		\$1,042,500.00		\$1,326,600.00	
EXPENSES - ADMINISTRATION						
PERSONAL SERVICES	\$ 134,009.10		\$ 154,974.10		\$ 127,428.48	
SUPPLIES	6,806.00		5,450.00		8,400.00	
REPAIRS & MAINTENANCE	12,500.00		12,700.00		15,000.00	
OTHER SERVICES & CHARGES	151,135.00		146,065.00		150,760.00	
GRANT MATCH / EXPENSE	-		-		1,000.00	
CAPITAL OUTLAY	1,000.00		1,000.00		1,000.00	
EXPENSE TOTAL - ADMIN	\$ 305,450.10		\$ 320,189.10		\$ 303,588.48	
COURT						
EXPENSES						
PERSONAL SERVICES	\$ 129,533.37		\$ 121,977.50		\$ 121,562.50	
SUPPLIES	1,600.00		1,600.00		2,150.00	
OTHER SERVICES & CHARGES	12,590.00		12,590.00		12,660.00	
REPAIRS & MAINTENANCE	1,300.00		1,300.00		2,900.00	
EXPENSE TOTAL - COURT	\$ 145,023.37		\$ 137,467.50		\$ 139,272.50	

CITY OF GREENBRIER, ARKANSAS
2020 - 2022 APPROVED BUDGETS

	2020	2021	2022
FIRE DEPARTMENT	BUDGET	BUDGET	BUDGET
EXPENSES	BY MAJOR CATEGORY	BY MAJOR CATEGORY	BY MAJOR CATEGORY
PERSONAL SERVICES	\$ 34,310.00	\$ 35,955.00	\$ 41,048.50
SUPPLIES	13,050.00	15,050.00	16,250.00
REPAIRS & MAINTENANCE	24,000.00	24,000.00	19,500.00
OTHER SERVICES & CHARGES	16,830.00	20,360.00	26,300.00
CAPITAL OUTLAY	8,500.00	8,500.00	6,000.00
EXPENSE TOTAL - FIRE DEPT	\$ 96,690.00	\$ 103,865.00	\$ 109,098.50
PARKS DEPARTMENT			
INCOME			
CHARGES FOR SERVICES	\$ 140,650.00	\$ 140,650.00	\$ 187,200.00
DONATIONS	10,000.00	10,000.00	16,000.00
OTHER REVENUES	340.00	340.00	340.00
INCOME TOTAL - PARK	\$ 150,990.00	\$ 150,990.00	\$ 203,540.00
EXPENSES - PARK DEPT			
PERSONAL SERVICES	\$ 136,085.00	\$ 146,125.00	\$ 219,311.25
SUPPLIES	92,500.00	92,600.00	130,000.00
REPAIRS & MAINTENANCE	17,000.00	17,000.00	13,000.00
OTHER SERVICES & CHARGES	50,180.00	51,070.00	77,500.00
CAPITAL OUTLAY		11,000.00	8,000.00
EXPENSE TOTAL - PARK	\$ 297,090.00	\$ 317,795.00	\$ 447,811.25

CITY OF GREENBRIER, ARKANSAS
2020 - 2022 APPROVED BUDGETS

	2020		2021		2022	
	BUDGET BY MAJOR CATEGORY		BUDGET BY MAJOR CATEGORY		BUDGET BY MAJOR CATEGORY	
POLICE DEPARTMENT						
INCOME						
GRANT REVENUES	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	
REIMB FROM OTHER GOVT ENTITY	30,000.00		50,000.00		50,000.00	
OTHER REVENUES	100.00		100.00		100.00	
INCOME TOTAL - POLICE	\$ 30,100.00		\$ 50,100.00		\$ 52,600.00	
EXPENSES - POLICE DEPT						
PERSONAL SERVICES	\$ 422,745.00	\$ 434,032.50	\$ 431,142.50			
SUPPLIES	36,600.00	36,600.00	34,600.00			
REPAIRS & MAINTENANCE	10,000.00	10,000.00	20,000.00			
OTHER SERVICES & CHARGES	22,725.00	25,725.00	24,750.00			
CAPITAL OUTLAY	2,500.00	2,500.00	2,500.00			
EXPENSE TOTAL - POLICE	\$ 494,570.00	\$ 508,857.50	\$ 512,992.50			
SANITATION DEPARTMENT						
INCOME						
CHARGES FOR SERVICES	\$ 812,500.00	\$ 862,500.00	\$ 864,000.00			
TOTAL SANITATION REVENUE	\$ 812,500.00	\$ 862,500.00	\$ 864,000.00			
EXPENSES - SANITATION						
SANITATION COSTS	\$ 750,000.00	\$ 753,000.00	\$ 803,000.00			
EXPENSE TOTAL - SANITATION	\$ 750,000.00	\$ 753,000.00	\$ 803,000.00			
TOTAL REVENUE - GENERAL FUND	\$2,062,460.00	\$2,106,090.00	\$2,446,740.00			
CARRYOVER	137,000.00	137,000.00	250,000.00			
TOTAL FUNDS AVAILABLE	\$2,199,460.00	\$2,243,090.00	\$2,696,740.00			
TOTAL EXPENSE - GENERAL FUND	2,088,823.47	2,141,174.10	2,315,763.23			
UNAPPROPRIATED	\$ 110,636.53	\$ 101,915.90	\$ 380,976.78			

CITY OF GREENBRIER, ARKANSAS
 2020 - 2022 APPROVED BUDGETS

STREET FUND	2020		2021		2022	
	BUDGET BY MAJOR CATEGORY		BUDGET BY MAJOR CATEGORY		BUDGET BY MAJOR CATEGORY	
INCOME						
PROPERTY TAXES	\$ 95,000.00		\$ 95,000.00		\$ 95,000.00	
INTEREST	10,000.00		10,000.00		3,500.00	
STATE AID	345,000.00		365,000.00		327,000.00	
TOTAL REVENUE - STREET	\$ 458,000.00		\$ 498,000.00		\$ 425,500.00	
CARRYOVER	420,975.00		500,000.00		500,000.00	
TOTAL FUNDS AVAILABLE	\$ 878,975.00		\$ 998,000.00		\$ 925,500.00	
EXPENSES						
PERSONAL SERVICES	\$ 268,375.00		\$ 247,850.00		\$ 225,555.00	
SUPPLIES	20,670.00		20,760.00		17,250.00	
REPAIRS & MAINTENANCE	186,500.00		186,500.00		87,500.00	
OTHER SERVICES & CHARGES	94,130.00		110,130.00		99,480.00	
CAPITAL OUTLAY	64,500.00		31,000.00		221,666.67	
TOTAL EXPENSE - STREET	633,175.00		596,240.00		651,451.67	
UNAPPROPRIATED	\$ 245,800.00		\$ 401,760.00		\$ 274,048.33	

CITY OF GREENBRIER, ARKANSAS
 2020 - 2022 APPROVED BUDGETS

	2020	2021	2022
	BUDGET	BUDGET	BUDGET
	BY MAJOR	BY MAJOR	BY MAJOR
	CATEGORY	CATEGORY	CATEGORY
WASTEWATER FUND			
INCOME			
INTEREST	\$ 1,550.00	\$ 1,550.00	\$ 1,950.00
LOCAL PERMITS & FEES	630,500.00	635,000.00	525,400.00
	\$ 632,050.00	\$ 636,550.00	\$ 527,350.00
CARRYOVER	50,000.00	200,000.00	200,000.00
TOTAL AVAILABLE FUNDS	\$ 682,050.00	\$ 836,550.00	\$ 727,350.00
EXPENSES			
PERSONAL SERVICES	\$ 224,375.00	\$ 224,637.50	\$ 200,685.38
SUPPLIES	20,200.00	27,525.00	22,425.00
REPAIRS & MAINTENANCE	83,500.00	85,000.00	67,500.00
OTHER SERVICES & CHARGES	148,080.00	152,580.00	145,680.00
CAPITAL OUTLAY	155,000.00	75,000.00	200,000.00
DEBT SERVICE		81,600.00	-
TOTAL EXPENSE - WASTEWATER	631,155.00	646,342.50	636,290.38
UNAPPROPRIATED	\$ 50,895.00	\$ 190,207.50	\$ 91,059.63



**East Side Sewer Improvements
Greenbrier, Arkansas
Project Cost Estimate**

Item	Description	Unit	Est. Quantity	Unit Price	Total Cost
1	Mobilization and Bonds	LS	1	\$ 183,750.00	\$ 183,750.00
2	Pump Station (2500 GPM, 130 TDH)	LS	1	\$ 2,100,000.00	\$ 2,100,000.00
3	Force Main (12" PVC)	LS	1	\$ 1,250,000.00	\$ 1,250,000.00
4	Gravity Sewer (24" inc MHs)	LS	1	\$ 325,000.00	\$ 325,000.00
Total Estimate Direct Costs					\$ 3,858,800.00
30% Contingency					\$ 1,157,700.00
Probable Construction Costs					\$ 5,016,500.00
Estimated Contractor Overhead and Profit					\$ 1,003,300.00
Total Estimate Construction Costs					\$ 6,019,800.00
Estimate Engineering, Design, Construction Admin					\$ 702,300.00
Project Total					\$ 6,722,100.00