

City of El Dorado, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF EL DORADO, ARKANSAS
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Arkansas

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Senate Chair
Sen. John Payton
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Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of El Dorado, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2023 and 2022, the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis, and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of El Dorado, Arkansas as of December 31, 2023 and 2022; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of El Dorado, Arkansas, as of December 31, 2023 and 2022, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

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

Emphases of Matter

As discussed in Note 1 to the financial statements, in 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

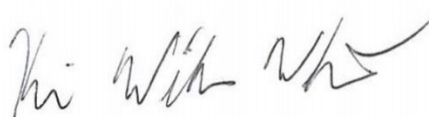
Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 20, 2024
LOM103023

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of El Dorado, Arkansas (City), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated November 20, 2024. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2023-1, that we consider to be a material weakness.

2023-1: Arkansas Code requires City management to maintain financial records. For 2023, the City's financial records contained errors that were considered material as indicated below:

General Fund financial records contained misstatements in liabilities, fund balance, revenues, and expenditures of \$1,287,038, \$1,591, \$1,037,837, and \$377,876, respectively, primarily due to errors in classifications, and transfers between funds.

Street Fund financial records contained misstatements in assets, liabilities, fund balance, revenues, and expenditures of \$1,163,793, \$6,344, \$23,790, \$272,847, and \$873,860, respectively, primarily due to errors in accounts receivables, classifications, and transfers between funds.

Other Aggregate Fund financial records contained misstatements in assets, liabilities, fund balance, revenues, and expenditures of \$748,111, \$316,606, \$35,621, \$517,819, and \$916,637, respectively, primarily due to errors in classifications, and transfers between funds.

2023-1: (Continued)

The effect of these errors constitutes a significant control deficiency in the process of preparing financial records. City management should implement procedures to ensure financial records are properly posted.

Management's response: The City will continue to train personnel to properly identify and record expenditures/receipts in the proper funds. The City will also request additional oversight by a qualified external party to assist the City with maintaining financial records. Interfund payables/receivables will be reviewed and cleared out on a routine basis, no less than annually.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Report on Internal Control over Financial Reporting section as item 2023-1.

We also reported to management of the City in a separate letter dated November 20, 2024.

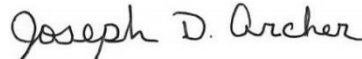
City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described previously. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
November 20, 2024

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The findings contained in this letter relate to the following officials who held office during 2023 and 2022:

Mayor: Paul Choate (2023)
Veronica Smith-Creer (2022)
City Clerk: Heather McVay
Advertising and Promotion Commission Chair: Don Miller
Police Chief: Kenneth Hickman

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

Mayor

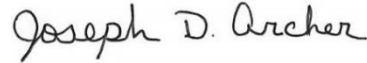
1. In February 2019, the City purchased the Playscape property from El Dorado Festival & Events, Inc. (EDFE), a nonprofit organization, for \$3.45 million and entered into an agreement to lease Playscape to EDFE for \$10 annually, with EDFE having exclusive control to operate Playscape and pay all expenses for activities conducted on the premises. The City paid EDFE \$200,000 and \$300,000, in 2023 and 2022, respectively, to operate Playscape, without a contract for services. On June 18, 2024, the City entered into a contract for services in which it agreed to pay EDFE \$200,000 in calendar year 2024, without apparent additional consideration beyond that contained in the 2019 lease agreement. As of report date, the City had paid EDFE \$150,000 in 2024. This arrangement is in noncompliance with Ark. Const. art. 12, § 5. A similar finding was issued in the prior report.
2. On February 15, 2023, the City paid \$242,638 for an ambulance, with an estimated delivery of 700 days after payment. Although it appears the City saved \$14,814 by prepaying for the ambulance, the prepayment conflicts with Ark. Const. art 12, § 5.
3. An employee was paid 31 hours of vacation before the leave was earned, the employee was subsequently terminated, resulting in an overpayment of \$554. This arrangement appears to conflict with Ark. Const. art. 12, §5, which prohibits cities from loaning credit to any individual.
4. A review of disbursements revealed that supporting documentation was not maintained for disbursements of \$7,959 and \$29,877 in 2023 and 2022, respectively, in noncompliance with Ark. Code Ann. § 14-59-105. Due to a lack of documentation, the validity of these disbursements could not be determined. Additionally, we noted an overpayment of \$1,100 to a vendor.
5. Competitive bids were not solicited for a park improvement project and street improvement project in 2023 and 2022, respectively, in noncompliance with Ark. Code Ann. § 22-9-203.
6. The Treasurer or his designated representative did not submit a timely monthly financial report to the city council, in noncompliance with Ark. Code Ann. § 14-59-115.
7. In 2023, restricted Street Fund monies were improperly used for non-street related payments totaling \$357,303, in noncompliance with Ark. Code Ann. §§ 26-79-104, 27-70-207. These funds were repaid by the end of 2024. A similar finding was noted in the prior report.

Mayor/Police Chief

In 2022, the City paid a Police Officer \$12,538 for unused sick leave upon retirement. Of this amount, \$2,392 exceeded 90 days of the officer's salary. Ark. Code. Ann. § 14-52-107, as interpreted by Op. Att'y Gen. nos. 2020-015 and 2022-017, permits payment for unused sick leave upon retirement or death; however, payment is not to exceed 60 days of salary unless the city, by ordinance, authorizes a greater amount, and in no event may exceed 90 days of salary.

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

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
November 20, 2024

CITY OF EL DORADO, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 40,634,648	\$ 849,432	\$ 306,928
Accounts receivable	1,189,829		647,726
Interfund receivables	152,979	867,517	710,776
TOTAL ASSETS	\$ 41,977,456	\$ 1,716,949	\$ 1,665,430
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 341,009		\$ 3,441
Interfund payables	1,269,654		461,618
Settlements pending			226,497
Total Liabilities	1,610,663		691,556
Fund Balances:			
Restricted		\$ 1,681,949	1,721,312
Assigned	30,193,724	35,000	3,614,730
Unassigned	10,173,069		(4,362,168)
Total Fund Balances	40,366,793	1,716,949	973,874
TOTAL LIABILITIES AND FUND BALANCES	\$ 41,977,456	\$ 1,716,949	\$ 1,665,430

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

CITY OF EL DORADO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 376,470	\$ 1,497,835	\$ 50,406
Federal aid	125,690		337,471
Property taxes	1,769,986	499,226	
Franchise fees	1,196,579		
Sales taxes	13,719,498		5,340,064
Fines, forfeitures, and costs	131,743		98,811
Interest	33,393	5,407	3,165
Local permits and fees	261,772	3,670	
Sanitation fees			823,521
Advertising and promotion taxes			426,809
Rental fees	18,377		
911 fees	245,639		
Ambulance fees	1,281,115		
Airport fees			189,834
Airport fuel sales			1,167,828
Golf course fees			293,558
Insurance proceeds			20,625
Other	415,649	57,633	203,635
	<u>19,575,911</u>	<u>2,063,771</u>	<u>8,955,727</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	3,405,344		20,214
Law enforcement	6,034,283		777,516
Highways and streets		2,103,264	5,647,657
Public safety	4,413,272		1,219,159
Sanitation			3,192,213
Health			78,984
Recreation and culture	1,371,658		820,162
Advertising and promotion			532,672
Airport	10,056		1,479,839
Total Current	<u>15,234,613</u>	<u>2,103,264</u>	<u>13,768,416</u>
Debt Service:			
Financed purchase principal			22,048
Financed purchase interest			1,766
	<u>15,234,613</u>	<u>2,103,264</u>	<u>13,792,230</u>
TOTAL EXPENDITURES			

CITY OF EL DORADO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 4,341,298</u>	<u>\$ (39,493)</u>	<u>\$ (4,836,503)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			1,541,000
Transfers out	(141,000)		(1,400,000)
Contribution from solid waste authority			<u>310,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(141,000)</u>		<u>451,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,200,298	(39,493)	(4,385,503)
FUND BALANCES - JANUARY 1	<u>36,166,495</u>	<u>1,756,442</u>	<u>5,359,377</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 40,366,793</u></u>	<u><u>\$ 1,716,949</u></u>	<u><u>\$ 973,874</u></u>

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

CITY OF EL DORADO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 382,921	\$ 376,470	\$ (6,451)	\$ 1,497,835	\$ 1,497,835	\$ 0
Federal aid	122,293	125,690	3,397			
Property taxes	1,751,004	1,769,986	18,982	499,226	499,226	0
Franchise fees	1,389,978	1,196,579	(193,399)			
Sales taxes	13,678,887	13,719,498	40,611			
Fines, forfeitures, and costs	131,694	131,743	49			
Interest	33,393	33,393	0	5,408	5,407	(1)
Local permits and fees	260,912	261,772	860	3,670	3,670	0
Rental fees	18,377	18,377	0			
911 fees	245,639	245,639	0			
Ambulance fees	1,215,805	1,281,115	65,310			
Other	494,904	415,649	(79,255)	330,119	57,633	(272,486)
TOTAL REVENUES	19,725,807	19,575,911	(149,896)	2,336,258	2,063,771	(272,487)
EXPENDITURES						
Current:						
General government	2,825,198	3,405,344	(580,146)			
Law enforcement	6,034,283	6,034,283	0			
Highways and streets				2,459,146	2,103,264	355,882
Public safety	4,413,273	4,413,272	1			
Recreation and culture	1,352,676	1,371,658	(18,982)			
Airport	10,056	10,056	0			
TOTAL EXPENDITURES	14,635,486	15,234,613	(599,127)	2,459,146	2,103,264	355,882
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,090,321	4,341,298	(749,023)	(122,888)	(39,493)	83,395
OTHER FINANCING SOURCES (USES)						
Transfers in	1,011,599		(1,011,599)			
Transfers out	(360,048)	(141,000)	219,048	(510,213)		510,213
TOTAL OTHER FINANCING SOURCES (USES)	651,551	(141,000)	(792,551)	(510,213)		510,213
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,741,872	4,200,298	(1,541,574)	(633,101)	(39,493)	593,608
FUND BALANCES - JANUARY 1	13,695,170	36,166,495	22,471,325		1,756,442	1,756,442
FUND BALANCES - DECEMBER 31	\$ 19,437,042	\$ 40,366,793	\$ 20,929,751	\$ (633,101)	\$ 1,716,949	\$ 2,350,050

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

CITY OF EL DORADO, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A-1

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 34,622,781	\$ 1,682,061	\$ 5,694,292
Accounts receivable	2,001,965	153,818	544,157
Interfund receivables	87,669		
TOTAL ASSETS	\$ 36,712,415	\$ 1,835,879	\$ 6,238,449
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 545,920	\$ 79,437	\$ 618,525
Interfund payables			87,669
Settlements pending			172,878
Total Liabilities	545,920	79,437	879,072
Fund Balances:			
Restricted		1,721,442	3,274,108
Assigned	25,570,247	35,000	2,085,269
Unassigned	10,596,248		
Total Fund Balances	36,166,495	1,756,442	5,359,377
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,712,415	\$ 1,835,879	\$ 6,238,449

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

CITY OF EL DORADO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B-1

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 533,638	\$ 1,532,993	\$ 23,877
Federal aid	103,983		2,194,292
Property taxes	1,407,544	381,875	
Franchise fees	847,287		
Sales taxes	13,445,749		5,180,253
Fines, forfeitures, and costs	146,642		23,531
Interest	10,302	534	2,585
Local permits and fees	151,707	2,510	
Sanitation fees			669,052
Advertising and promotion taxes			377,461
Rental fees	14,461		
911 fees	281,450		
Ambulance fees	1,201,170		
Airport fees			74,301
Airport fuel sales			1,402,426
Golf course fees			296,482
Other	416,777	15,300	654,926
TOTAL REVENUES	18,560,710	1,933,212	10,899,186
EXPENDITURES			
Current:			
General government	1,359,493		543
Law enforcement	5,620,114		312,337
Highways and streets		1,735,310	2,527,627
Public safety	2,463,315		1,975,624
Sanitation			3,356,178
Health			71,113
Recreation and culture	1,189,130		713,361
Advertising and promotion			574,928
Airport	9,903		1,823,445
Total Current	10,641,955	1,735,310	11,355,156
Debt Service:			
Financed purchase principal			14,839
Financed purchase interest			4,004
TOTAL EXPENDITURES	10,641,955	1,735,310	11,373,999

CITY OF EL DORADO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B-1

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 7,918,755</u>	<u>\$ 197,902</u>	<u>\$ (474,813)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			5,476,361
Transfers out	(4,076,361)		(1,400,000)
Contribution to water department			<u>(31,273)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,076,361)</u>		<u>4,045,088</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,842,394	197,902	3,570,275
FUND BALANCES - JANUARY 1	<u>32,324,101</u>	<u>1,558,540</u>	<u>1,789,102</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 36,166,495</u></u>	<u><u>\$ 1,756,442</u></u>	<u><u>\$ 5,359,377</u></u>

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

CITY OF EL DORADO, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 264,866	\$ 533,638	\$ 268,772	\$ 1,532,993	\$ 1,532,993	\$ 0
Federal aid	1,875,206	103,983	(1,771,223)			
Property taxes	1,574,033	1,407,544	(166,489)	428,178	381,875	(46,303)
Franchise fees	912,455	847,287	(65,168)			
Sales taxes	13,418,474	13,445,749	27,275			
Fines, forfeitures, and costs	155,392	146,642	(8,750)			
Interest	10,249	10,302	53	540	534	(6)
Local permits and fees	149,243	151,707	2,464	2,510	2,510	0
Rental fees	14,761	14,461	(300)			
911 fees	281,450	281,450	0			
Ambulance fees	1,173,158	1,201,170	28,012			
Other	666,767	416,777	(249,990)	12,870	15,300	2,430
TOTAL REVENUES	20,496,054	18,560,710	(1,935,344)	1,977,091	1,933,212	(43,879)
EXPENDITURES						
Current:						
General government	1,334,642	1,359,493	(24,851)			
Law enforcement	5,629,238	5,620,114	9,124			
Highways and streets				1,761,353	1,735,310	26,043
Public safety	4,260,699	2,463,315	1,797,384			
Recreation and culture	1,225,296	1,189,130	36,166			
Airport	9,903	9,903	0			
TOTAL EXPENDITURES	12,459,778	10,641,955	1,817,823	1,761,353	1,735,310	26,043
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,036,276	7,918,755	(117,521)	215,738	197,902	(17,836)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,158,304		(1,158,304)			
Transfers out	(5,134,665)	(4,076,361)	1,058,304			
TOTAL OTHER FINANCING SOURCES (USES)	(3,976,361)	(4,076,361)	(100,000)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,059,915	3,842,394	(217,521)	215,738	197,902	(17,836)
FUND BALANCES - JANUARY 1	13,695,170	32,324,101	18,628,931		1,558,540	1,558,540
FUND BALANCES - DECEMBER 31	\$ 17,755,085	\$ 36,166,495	\$ 18,411,410	\$ 215,738	\$ 1,756,442	\$ 1,540,704

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

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of El Dorado was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following funds of the City would have been included in the reporting entity: Water and Sewer Funds. However, under Arkansas's regulatory basis described below, inclusion of these funds are not required and these funds are not included in this report.

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 through 4 for Special Revenue Funds as reported with other funds in the aggregate.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Enterprise Funds). See Schedules 1 through 4 for the Capital Projects Fund as reported with other funds in the aggregate.

Enterprise Funds – Enterprise funds are used to report activity that is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; activity that is legally required to recover its costs through fees or charges; or activity that the government's policy is to establish fees or charges designed to recover the cost of providing services. See Schedules 1 through 4 for Enterprise Funds as reported with other funds in the aggregate.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 and 3 for Custodial Funds as reported with other funds in the aggregate.

C. Basis of Accounting - Regulatory

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

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

In 2022, the City implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, and costs that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. 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 EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

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

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

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value December 31, 2023, is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,898,763	\$ 2,898,763
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	38,887,296	39,913,777
Total Deposits	\$ 41,786,059	\$ 42,812,540

The above total deposits do not include cash on hand \$4,949.

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value December 31, 2022, is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 3,278,421	\$ 3,278,421
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	38,715,814	39,028,118
Total Deposits	\$ 41,994,235	\$ 42,306,539

The above total deposits do not include cash on hand of \$4,899.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

Pension Trust Funds

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

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2023, is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Federal aid	\$ 510	
Sales taxes	1,099,325	\$ 502,488
Local permits and fees	19,682	
Sanitation fees		74,850
Advertising and promotion taxes		29,934
Airport fees		25,454
Other	70,312	15,000
Totals	\$ 1,189,829	\$ 647,726

The accounts receivable balance at December 31, 2022, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid			\$ 754
Property taxes	\$ 585,450	\$ 153,543	
Franchise fees	201,027		
Sales taxes	1,058,714		412,671
Fines, forfeitures, and costs	5,703		2,618
Local permits and fees	16,600		
Sanitation fees			73,528
Advertising and promotion taxes			23,213
Rental fees	1,510		
Ambulance fees	25,852		
Airport fees			27,984
Other	107,109	275	3,389
Totals	\$ 2,001,965	\$ 153,818	\$ 544,157

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2023, is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Vendor payables	\$ 221,552	\$ 3,441
Payroll taxes payable	119,457	
Totals	\$ 341,009	\$ 3,441

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5: Accounts Payable (Continued)

The accounts payable balance at December 31, 2022, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 488,407	\$ 79,437	\$ 618,525
Payroll taxes payable	57,513		
Totals	<u>\$ 545,920</u>	<u>\$ 79,437</u>	<u>\$ 618,525</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances at December 31, 2023, are as follows:

	December 31, 2023	
	Interfund Receivables	Interfund Payables
General Fund	\$ 152,979	\$ 1,269,654
Street Fund	867,517	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Sanitation	6,126	
Federal Grants		152,679
Court Automation	751	
Capital Projects Funds:		
Capital Improvements	703,899	308,639
Enterprise Funds:		
Municipal Airport		300
Totals	<u>\$ 1,731,272</u>	<u>\$ 1,731,272</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and expenses paid from incorrect funds. These balances are expected to be repaid in 2024.

Individual fund interfund receivable and payable balances at December 31, 2022, are as follows:

	December 31, 2022	
	Interfund Receivables	Interfund Payables
General Fund	\$ 87,669	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Federal Grants		\$ 87,369
Enterprise Funds:		
Municipal Airport		300
Totals	<u>\$ 87,669</u>	<u>\$ 87,669</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and expenses paid from incorrect funds. These balances are expected to be repaid in 2023.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7: Federal Funds Program Compliance

The City's 2022 and 2021 federal funds have not been audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2023, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
Law enforcement			\$ 50,151
Highways and streets		\$ 1,681,949	
Public safety			89,131
Advertising and promotion			523,948
Airport			1,058,082
Total Restricted		<u>1,681,949</u>	<u>1,721,312</u>
Assigned to:			
General government	\$ 30,193,724		
Highways and streets		35,000	
Sanitation			3,614,730
Total Assigned	<u>30,193,724</u>	<u>35,000</u>	<u>3,614,730</u>
Unassigned	<u>10,173,069</u>		<u>(4,362,168)</u>
Totals	<u>\$ 40,366,793</u>	<u>\$ 1,716,949</u>	<u>\$ 973,874</u>

CITY OF EL DORADO, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023 AND 2022

NOTE 8: Details of Fund Balance Classifications (Continued)

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
Law enforcement			\$ 134,869
Highways and streets		\$ 1,721,442	
Public safety			100,865
Advertising and promotion			629,172
Airport			946,610
Capital outlay			1,462,592
Total Restricted		<u>1,721,442</u>	<u>3,274,108</u>
Assigned to:			
General government	\$ 25,570,247		
Highways and streets		35,000	
Sanitation			2,078,517
Recreation and culture			6,752
Total Assigned	<u>25,570,247</u>	<u>35,000</u>	<u>2,085,269</u>
Unassigned	<u>10,596,248</u>		
Totals	<u>\$ 36,166,495</u>	<u>\$ 1,756,442</u>	<u>\$ 5,359,377</u>

NOTE 9: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2023:

	December 31, 2023
Other Funds in the Aggregate:	
Special Revenue Funds:	
Federal Grants	\$ (86,226)
Court Automation	(58,986)
Capital Projects Fund:	
Capital Improvements	(4,116,494)
Enterprise Funds:	
Golf Course	<u>(100,462)</u>
Total	<u>\$ (4,362,168)</u>

NOTE 10: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023 and 2022, the legal debt limit for the bonded debt was \$59,431,808 and \$59,870,607, respectively. There were no property tax secured bond issues.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10: Legal Debt Limit (Continued)

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2023 and 2022, the legal debt limit for short-term financing obligations was \$14,857,952 and \$14,967,652, respectively. The amount of short-term financing obligations for 2023 and 2022 was \$5,986 and \$28,034 leaving a legal debt margin of \$14,851,966 and \$14,939,618, respectively.

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Long-term liabilities	\$ 753,535	\$ 653,468
Lease	229,313	
Construction contracts	1,183,644	79,036
 Total Commitments	 \$ 2,166,492	 \$ 732,504

Long-term liabilities

Long-term liabilities at December 31, 2023 and 2022, are comprised of the following:

	December 31, 2023	December 31, 2022
<u>Direct Borrowings</u>		
Financed purchase agreement dated April 8, 2021, with New Equipment Leasing, Inc. in the amount of \$27,041 with interest rate of 9.6% for the purchase of two Exmark mowers. Monthly payments of \$867 for 36 months. Payments are to be made from the Sanitation Fund.	\$ 2,215	\$ 13,511
Financed purchase agreement dated July 6, 2021, with New Equipment Leasing, Inc. in the amount of \$26,365 with interest rate of 9.6% for the purchase of two Exmark mowers. Monthly payments of \$846 for 36 months. Payments are to be made from the Golf Course Fund.	3,771	14,523
 Total Direct Borrowings	 5,986	 28,034
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	747,549	625,434
 Total Long-term liabilities	 \$ 753,535	 \$ 653,468

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

The City's outstanding direct borrowings of \$5,986 and \$28,034 at December 31, 2023 and 2022, respectively, contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11: Commitments (Continued)

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2023	Maturities to December 31, 2023
<u>Direct Borrowings</u>					
4/8/21	5/3/24	9.60%	\$ 27,041	\$ 2,215	\$ 24,826
7/6/21	7/6/24	9.60%	26,365	3,771	22,594
Total Long-Term Debt			<u>\$ 53,406</u>	<u>\$ 5,986</u>	<u>\$ 47,420</u>

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Direct Borrowings</u>					
4/8/21	5/3/24	9.60%	\$ 27,041	\$ 13,511	\$ 13,530
7/6/21	7/6/24	9.60%	26,365	14,523	11,842
Total Long-Term Debt			<u>\$ 53,406</u>	<u>\$ 28,034</u>	<u>\$ 25,372</u>

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
<u>Direct Borrowings</u>				
Financed purchases	<u>\$ 28,034</u>	<u>\$ 0</u>	<u>\$ 22,048</u>	<u>\$ 5,986</u>

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
<u>Direct Borrowings</u>				
Financed purchases	<u>\$ 42,873</u>	<u>\$ 0</u>	<u>\$ 14,839</u>	<u>\$ 28,034</u>

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11: Commitments (Continued)

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2024	\$ 5,986	\$ 1,030	\$ 7,016

The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2023	\$ 17,802	\$ 2,754	\$ 20,556
2024	10,232	1,491	11,723
Totals	\$ 28,034	\$ 4,245	\$ 32,279

Lease

The City entered into a lease agreement for golf carts on April 11, 2023. Terms of the lease are monthly rental payments of \$4,327 for 60 months. At the end of the lease term, the City will return the golf carts. The City is obligated for the following amounts for the next five years:

Year	December 31, 2023
2024	\$ 51,920
2025	51,920
2026	51,920
2027	51,920
2028	21,633
Total	\$ 229,313

Lease expense for 2023, was \$30,287.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2023 and 2022:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2023	Contract Balance December 31, 2022
Runw ay Rehab (Lighting)	6/30/2024	\$ 38,780	\$ 58,190
Runw ay Rehab (Land Acquisition)	6/30/2024	6,400	20,846
Runw ay Rehab (Overlay)	6/15/2024	163,938	
10th Street Drainage	8/1/2024	393,278	
City Dog Kennel	4/16/2024	180,387	
South Arkansas Outdoor Expo	9/15/2025	219,515	
City Hall Roof Replacement	3/29/2024	181,346	
Total Construction Contracts		<u>\$ 1,183,644</u>	<u>\$ 79,036</u>

NOTE 12: Interfund Transfers

In 2023, the General Fund transferred to the Other Funds in the Aggregate (Golf Course) \$141,000 for operations. Within the Other Funds in the Aggregate, transfers were made of \$1,400,000 for designated sales tax funds for capital outlay expenditures.

In 2022, the General Fund transferred to the Other Funds in the Aggregate (Golf Course) \$130,379 for operations, (Capital Projects) \$3,941,696 for capital projects, and (Department of Justice Asset Forfeiture) \$4,286 for operations. Within the Other Funds in the Aggregate, transfers were made of \$1,400,000 for designated sales tax funds for capital outlay expenditures.

NOTE13: Related Party Transactions

For the years ended December 31, 2023 and 2022, the City paid \$1,935,635 and \$770,325, respectively, to Diversified Construction and Design, LLC and Diversified Services Lawn and Garden Center, Inc. in the amounts of \$1,718,542 and \$714,850 for construction and design, \$217,093 and \$55,475 for lawn and garden services. City Council member John Vance Williamson is an employee of these companies, and his brother is the owner. El Dorado Ordinance no. 1845 (June 5, 2014) allows the City to conduct business with this related party.

NOTE 14: Joint Venture

The City of El Dorado and Union County entered into an agreement in May 1956, in accordance with Ark. Code Ann. § 13-2-204 to establish the Barton Public Library. The City and County library boards, by agreement, employ a librarian. Two members from the City library board, two members from the County library board, and a fifth member from either of the boards are appointed to serve as the Executive Library Committee. The Committee, working with the librarian, prepares the budget, allocates the expense to be paid by each of the library boards, and addresses any other details as to the operations of the library. These recommendations are presented to a joint meeting of the City library board and the County library board for approval or disapproval. Title to the land and building are in the name of the City of El Dorado library. The books and equipment belong to each library board and are marked and inventoried so as to indicate ownership by the respective library boards. The City paid \$402,083 and \$132,365 for the Barton Public Library in 2023 and 2022, respectively. Separate financial statements of the Barton Public Library are not available.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 15: Jointly Governed Organization

The Sheriffs' Departments of Calhoun, Cleveland, Columbia, Dallas, Ouachita, and Union Counties and the Police Departments of Camden, Fordyce, Magnolia, Hampton, Smackover, and El Dorado entered into an agreement to establish the Thirteenth Judicial District Drug Task Force. The agreement covers the period of July 1, 2022 to June 30, 2023, and July 1, 2023 to June 30, 2024, and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Thirteenth Judicial District. No contributions or payments for expenditures were made to the Thirteenth Judicial District Drug Task Force by the City. The 2023 and 2022 financial statements of the Thirteenth Judicial District Drug Task Force have not been audited.

NOTE 16: Risk Management

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

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

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

Municipal Vehicle Program

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

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

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

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 16: Risk Management (Continued)

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

**NOTE 17: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3rd, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website www.lopfi-prb.com.

On March 1, 1994, and February 1, 1994, administration of the City of El Dorado Firemen's Pension and Relief Fund and the City of El Dorado Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$1,131,846 and \$967,343 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$968,500 and \$853,706 for the year ended December 31, 2023, and December 31, 2022, respectively.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2023 and 2022, (actuarial valuation date and measurement date) was \$10,266,127 and \$10,650,322, respectively.

NOTE 18: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first (second) class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayors Mike Dumas \$37,569 and \$37,569 and Larry Combs \$27,926 and \$27,926 for the years ended December 31, 2023 and 2022, respectively.

CITY OF EL DORADO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 19: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk Dennis Puckett's spouse Geraldine Puckett \$7,522 and \$7,522 for the years ended December 31, 2023 and 2022, respectively.

NOTE 20: City Employee Retirement Program (A Defined Contribution Pension Plan)

Plan Description

The El Dorado City Council has contracted with Edward Jones and Wentz & Associates to provide a money-purchase defined contribution plan for the benefit of its non-uniformed full-time employees. The plan provides retirement benefits to plan members and their beneficiaries. Benefit provisions and contribution requirements may be amended by the El Dorado City Council. Funding is provided by contributions of 5% by the employee and 5% by the City of the employee's total annual compensation. The City's contribution to the plan was \$36,902 and \$37,200 for 2023 and 2022, respectively.

NOTE 21: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the City was awarded \$3,656,949 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, all of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

CITY OF EL DORADO, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS

	Sanitation	Advertising and Promotion	Federal Grants	Drug Control	Court Automation	Fire Equipment and Training (Act 833)	Department of Justice Asset Forfeiture
ASSETS							
Cash and cash equivalents	\$ 3,031,266	\$ 494,014	\$ 66,453	\$ 45,851	\$ (59,737)	\$ 89,131	\$ 4,300
Accounts receivable	577,338	29,934					
Interfund receivables	6,126				751		
TOTAL ASSETS	\$ 3,614,730	\$ 523,948	\$ 66,453	\$ 45,851	\$ (58,986)	\$ 89,131	\$ 4,300
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Interfund payables			\$ 152,679				
Settlements pending							
Total Liabilities			152,679				
Fund Balances:							
Restricted		\$ 523,948		\$ 45,851		\$ 89,131	\$ 4,300
Assigned	\$ 3,614,730						
Unassigned			(86,226)		\$ (58,986)		
Total Fund Balances	3,614,730	523,948	(86,226)	45,851	(58,986)	89,131	4,300
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,614,730	\$ 523,948	\$ 66,453	\$ 45,851	\$ (58,986)	\$ 89,131	\$ 4,300

CITY OF EL DORADO, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	<u>CAPITAL PROJECTS FUND</u>	<u>ENTERPRISE FUNDS</u>		<u>CUSTODIAL FUNDS</u>			<u>Totals</u>
	<u>Capital Improvements</u>	<u>Municipal Airport</u>	<u>Golf Course</u>	<u>Police Fee</u>	<u>Drug Management</u>	<u>Police Bond & Fine</u>	
ASSETS							
Cash and cash equivalents	\$ (4,526,754)	\$ 1,036,369	\$ (100,462)	\$ 878	\$ 225,555	\$ 64	\$ 306,928
Accounts receivable	15,000	25,454					647,726
Interfund receivables	703,899						710,776
TOTAL ASSETS	<u>\$ (3,807,855)</u>	<u>\$ 1,061,823</u>	<u>\$ (100,462)</u>	<u>\$ 878</u>	<u>\$ 225,555</u>	<u>\$ 64</u>	<u>\$ 1,665,430</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$ 3,441					\$ 3,441
Interfund payables	\$ 308,639	300					461,618
Settlements pending				\$ 878	\$ 225,555	\$ 64	226,497
Total Liabilities	<u>308,639</u>	<u>3,741</u>		<u>878</u>	<u>225,555</u>	<u>64</u>	<u>691,556</u>
Fund Balances:							
Restricted		1,058,082					1,721,312
Assigned							3,614,730
Unassigned	(4,116,494)		\$ (100,462)				(4,362,168)
Total Fund Balances	<u>(4,116,494)</u>	<u>1,058,082</u>	<u>(100,462)</u>				<u>973,874</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (3,807,855)</u>	<u>\$ 1,061,823</u>	<u>\$ (100,462)</u>	<u>\$ 878</u>	<u>\$ 225,555</u>	<u>\$ 64</u>	<u>\$ 1,665,430</u>

CITY OF EL DORADO, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule 2

	SPECIAL REVENUE FUNDS						
	Sanitation	Advertising and Promotion	Federal Grants	Drug Control	Court Automation	Fire Equipment and Training (Act 833)	Department of Justice Asset Forfeiture
REVENUES							
State aid	\$ 24,145					\$ 26,261	
Federal aid			\$ 325,771				
Sales taxes	5,331,388						
Fines, forfeitures, and costs				\$ 86,681	\$ 12,130		
Interest		\$ 639		14	11	11	
Sanitation fees	823,521						
Advertising and promotion taxes		426,809					
Airport fees							
Airport fuel sales							
Golf course fees							
Insurance proceeds				20,625			
Other	82,271					9,461	
TOTAL REVENUES	6,261,325	427,448	325,771	107,320	12,141	35,733	
EXPENDITURES							
Current:							
General government							
Law enforcement	105,330		193,282	128,539	72,393		\$ 86
Highways and streets							
Public safety			119,048			47,467	
Sanitation	3,192,213						
Health	78,984						
Recreation and culture	246,885						
Advertising and promotion		532,672					
Airport			161,814				
Total Current	3,623,412	532,672	474,144	128,539	72,393	47,467	86
Debt Service:							
Financed purchase principal	10,751						
Financed purchase interest	949						
TOTAL EXPENDITURES	3,635,112	532,672	474,144	128,539	72,393	47,467	86
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,626,213	(105,224)	(148,373)	(21,219)	(60,252)	(11,734)	(86)
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out	(1,400,000)						
Contribution from solid waste authority	310,000						
TOTAL OTHER FINANCING SOURCES (USES)	(1,090,000)						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,536,213	(105,224)	(148,373)	(21,219)	(60,252)	(11,734)	(86)
FUND BALANCES - JANUARY 1	2,078,517	629,172	62,147	67,070	1,266	100,865	4,386
FUND BALANCES - DECEMBER 31	\$ 3,614,730	\$ 523,948	\$ (86,226)	\$ 45,851	\$ (58,986)	\$ 89,131	\$ 4,300

CITY OF EL DORADO, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule 2

	CAPITAL PROJECTS FUND	ENTERPRISE FUNDS		Totals
	Capital Improvements	Municipal Airport	Golf Course	
REVENUES				
State aid				\$ 50,406
Federal aid		\$ 11,700		337,471
Sales taxes		8,676		5,340,064
Fines, forfeitures, and costs				98,811
Interest	\$ 2,315	175		3,165
Sanitation fees				823,521
Advertising and promotion taxes				426,809
Airport fees		189,834		189,834
Airport fuel sales		1,167,828		1,167,828
Golf course fees			\$ 293,558	293,558
Insurance proceeds				20,625
Other			619	203,635
	<u>60,000</u>	<u>51,284</u>	<u>619</u>	<u>203,635</u>
TOTAL REVENUES	<u>62,315</u>	<u>1,429,497</u>	<u>294,177</u>	<u>8,955,727</u>
EXPENDITURES				
Current:				
General government	20,214			20,214
Law enforcement	277,886			777,516
Highways and streets	5,647,657			5,647,657
Public safety	1,052,644			1,219,159
Sanitation				3,192,213
Health				78,984
Recreation and culture	43,000		530,277	820,162
Advertising and promotion				532,672
Airport		1,318,025		1,479,839
Total Current	<u>7,041,401</u>	<u>1,318,025</u>	<u>530,277</u>	<u>13,768,416</u>
Debt Service:				
Financed purchase principal			11,297	22,048
Financed purchase interest			817	1,766
				<u>23,814</u>
TOTAL EXPENDITURES	<u>7,041,401</u>	<u>1,318,025</u>	<u>542,391</u>	<u>13,792,230</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,979,086)</u>	<u>111,472</u>	<u>(248,214)</u>	<u>(4,836,503)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,400,000		141,000	1,541,000
Transfers out				(1,400,000)
Contribution from solid waste authority				310,000
				<u>451,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,400,000</u>		<u>141,000</u>	<u>451,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(5,579,086)</u>	<u>111,472</u>	<u>(107,214)</u>	<u>(4,385,503)</u>
FUND BALANCES - JANUARY 1	<u>1,462,592</u>	<u>946,610</u>	<u>6,752</u>	<u>5,359,377</u>
FUND BALANCES - DECEMBER 31	<u>\$ (4,116,494)</u>	<u>\$ 1,058,082</u>	<u>\$ (100,462)</u>	<u>\$ 973,874</u>

CITY OF EL DORADO, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 3

SPECIAL REVENUE FUNDS

	Sanitation	Advertising and Promotion	Federal Grants	Drug Control	Court Automation	Fire Equipment and Training (Act 833)	Department of Justice Asset Forfeiture
ASSETS							
Cash and cash equivalents	\$ 1,910,118	\$ 680,228	\$ 170,210	\$ 70,075	\$ (1,352)	\$ 101,601	\$ 4,386
Accounts receivable	489,588	23,213	754		2,618		
TOTAL ASSETS	\$ 2,399,706	\$ 703,441	\$ 170,964	\$ 70,075	\$ 1,266	\$ 101,601	\$ 4,386
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 321,189	\$ 74,269	\$ 21,448	\$ 3,005		\$ 736	
Interfund payables			87,369				
Settlements pending							
Total Liabilities	321,189	74,269	108,817	3,005		736	
Fund Balances:							
Restricted		629,172	62,147	67,070	\$ 1,266	100,865	\$ 4,386
Assigned	2,078,517						
Total Fund Balances	2,078,517	629,172	62,147	67,070	1,266	100,865	4,386
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,399,706	\$ 703,441	\$ 170,964	\$ 70,075	\$ 1,266	\$ 101,601	\$ 4,386

CITY OF EL DORADO, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 3

	CAPITAL PROJECTS FUND	ENTERPRISE FUNDS			CUSTODIAL FUNDS		Totals
	Capital Improvements	Municipal Airport	Golf Course	Police Fee	Drug Management	Police Bond & Fine	
ASSETS							
Cash and cash equivalents	\$ 1,596,246	\$ 978,239	\$ 11,663	\$ 1,206	\$ 171,622	\$ 50	\$ 5,694,292
Accounts receivable		27,984					544,157
TOTAL ASSETS	<u>\$ 1,596,246</u>	<u>\$ 1,006,223</u>	<u>\$ 11,663</u>	<u>\$ 1,206</u>	<u>\$ 171,622</u>	<u>\$ 50</u>	<u>\$ 6,238,449</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 133,654	\$ 59,313	\$ 4,911				\$ 618,525
Interfund payables		300					87,669
Settlements pending				\$ 1,206	\$ 171,622	\$ 50	172,878
Total Liabilities	<u>133,654</u>	<u>59,613</u>	<u>4,911</u>	<u>1,206</u>	<u>171,622</u>	<u>50</u>	<u>879,072</u>
Fund Balances:							
Restricted	1,462,592	946,610					3,274,108
Assigned			6,752				2,085,269
Total Fund Balances	<u>1,462,592</u>	<u>946,610</u>	<u>6,752</u>				<u>5,359,377</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,596,246</u>	<u>\$ 1,006,223</u>	<u>\$ 11,663</u>	<u>\$ 1,206</u>	<u>\$ 171,622</u>	<u>\$ 50</u>	<u>\$ 6,238,449</u>

CITY OF EL DORADO, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 4

	SPECIAL REVENUE FUNDS							
	Sanitation	Advertising and Promotion	Federal Grants	Drug Control	Court Automation	Fire Equipment and Training (Act 833)	Department of Justice Asset Forfeiture	American Rescue Plan Act
REVENUES								
State aid						\$ 23,877		
Federal aid			\$ 285,758					\$ 1,828,464
Sales taxes	\$ 5,176,646							
Fines, forfeitures, and costs				\$ 12,242	\$ 11,289			
Interest		\$ 858		12	12	9		
Sanitation fees	669,052							
Advertising and promotion taxes		377,461						
Airport fees								
Airport fuel sales								
Golf course fees								
Other	220,839							
TOTAL REVENUES	6,066,537	378,319	285,758	12,254	11,301	23,886		1,828,464
EXPENDITURES								
Current:								
General government								
Law enforcement	92,939		19,231	60,970	96,524			
Highways and streets								
Public safety						5,634		1,797,191
Sanitation	3,356,178							
Health	71,113							
Recreation and culture	293,401							
Advertising and promotion		574,928						
Airport			296,478					
Total Current	3,813,631	574,928	315,709	60,970	96,524	5,634		1,797,191
Debt Service:								
Financed purchase principal	7,321							
Financed purchase interest	1,985							
TOTAL EXPENDITURES	3,822,937	574,928	315,709	60,970	96,524	5,634		1,797,191
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,243,600	(196,609)	(29,951)	(48,716)	(85,223)	18,252		31,273
OTHER FINANCING SOURCES (USES)								
Transfers in							\$ 4,286	
Transfers out	(1,400,000)							
Contribution to water department								(31,273)
TOTAL OTHER FINANCING SOURCES (USES)	(1,400,000)						4,286	(31,273)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	843,600	(196,609)	(29,951)	(48,716)	(85,223)	18,252	4,286	
FUND BALANCES - JANUARY 1	1,234,917	825,781	92,098	115,786	86,489	82,613	100	
FUND BALANCES - DECEMBER 31	\$ 2,078,517	\$ 629,172	\$ 62,147	\$ 67,070	\$ 1,266	\$ 100,865	\$ 4,386	\$ 0

CITY OF EL DORADO, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 4

	CAPITAL PROJECTS FUND	ENTERPRISE FUNDS		Totals
	Capital Improvements	Municipal Airport	Golf Course	
REVENUES				
State aid				\$ 23,877
Federal aid		\$ 80,070		2,194,292
Sales taxes		3,607		5,180,253
Fines, forfeitures, and costs				23,531
Interest	\$ 1,612	82		2,585
Sanitation fees				669,052
Advertising and promotion taxes				377,461
Airport fees		74,301		74,301
Airport fuel sales		1,402,426		1,402,426
Golf course fees			\$ 296,482	296,482
Other				654,926
	<u>35,621</u>	<u>398,466</u>		<u>654,926</u>
TOTAL REVENUES	<u>37,233</u>	<u>1,958,952</u>	<u>296,482</u>	<u>10,899,186</u>
EXPENDITURES				
Current:				
General government	543			543
Law enforcement	42,673			312,337
Highways and streets	2,527,627			2,527,627
Public safety	172,799			1,975,624
Sanitation				3,356,178
Health				71,113
Recreation and culture			419,960	713,361
Advertising and promotion				574,928
Airport		1,526,967		1,823,445
Total Current	<u>2,743,642</u>	<u>1,526,967</u>	<u>419,960</u>	<u>11,355,156</u>
Debt Service:				
Financed purchase principal			7,518	14,839
Financed purchase interest			2,019	4,004
TOTAL EXPENDITURES	<u>2,743,642</u>	<u>1,526,967</u>	<u>429,497</u>	<u>11,373,999</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,706,409)</u>	<u>431,985</u>	<u>(133,015)</u>	<u>(474,813)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,341,696		130,379	5,476,361
Transfers out				(1,400,000)
Contribution to water department				(31,273)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,341,696</u>		<u>130,379</u>	<u>4,045,088</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>2,635,287</u>	<u>431,985</u>	<u>(2,636)</u>	<u>3,570,275</u>
FUND BALANCES - JANUARY 1	<u>(1,172,695)</u>	<u>514,625</u>	<u>9,388</u>	<u>1,789,102</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,462,592</u>	<u>\$ 946,610</u>	<u>\$ 6,752</u>	<u>\$ 5,359,377</u>

CITY OF EL DORADO, ARKANSAS
 NOTES TO SCHEDULES 1 THROUGH 4
 DECEMBER 31, 2023 AND 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Sanitation	El Dorado Ordinance no. 1558 (July 10, 1997) established fund to receive one percent sales and use tax to be distributed by the County to be used solely for solid waste and capital improvement expenditures.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Federal Grants	Established to account for federal grants received.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Department of Justice Asset Forfeiture	Established to receive federal forfeitures to be used for providing additional law enforcement resources.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Capital Improvements	El Dorado Ordinance no. 1558 (July 10, 1997) established fund to receive one percent sales and use tax to be distributed by the City to be used solely for solid waste and capital improvement expenditures.
Municipal Airport	Ark. Code Ann. § 14-361-116 established fund to receive revenues obtained by a municipality from the ownership, control, or operation of any airport or air navigation facility, including proceeds from the sale of any airport or portion thereof or air navigation facility property. The revenues shall be used solely for airport purposes.

CITY OF EL DORADO, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2023 AND 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Golf Course	Established to receive fees collected and to pay expenditures for the City's municipal golf course.
Police Fee	Established to receive miscellaneous fees charged for accident reports, fingerprints, etc.
Drug Management	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Police Bond & Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.

CITY OF EL DORADO, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2023
 (Unaudited)

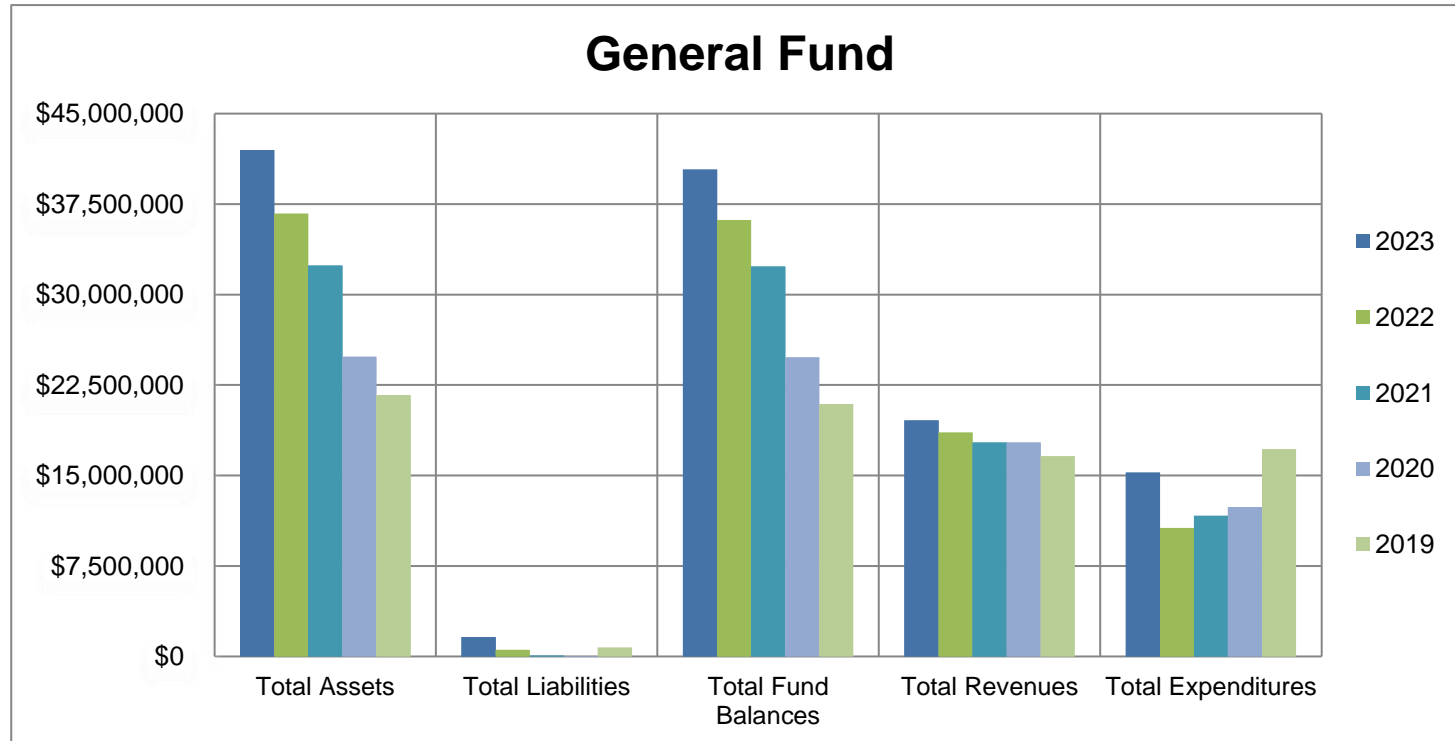
Schedule 5

	December 31, 2023	December 31, 2022
Land	\$ 7,487,393	\$ 7,487,393
Buildings	36,486,119	36,246,701
Equipment	20,101,776	18,766,697
Totals	\$ 64,075,288	\$ 62,500,791

CITY OF EL DORADO, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 6-1

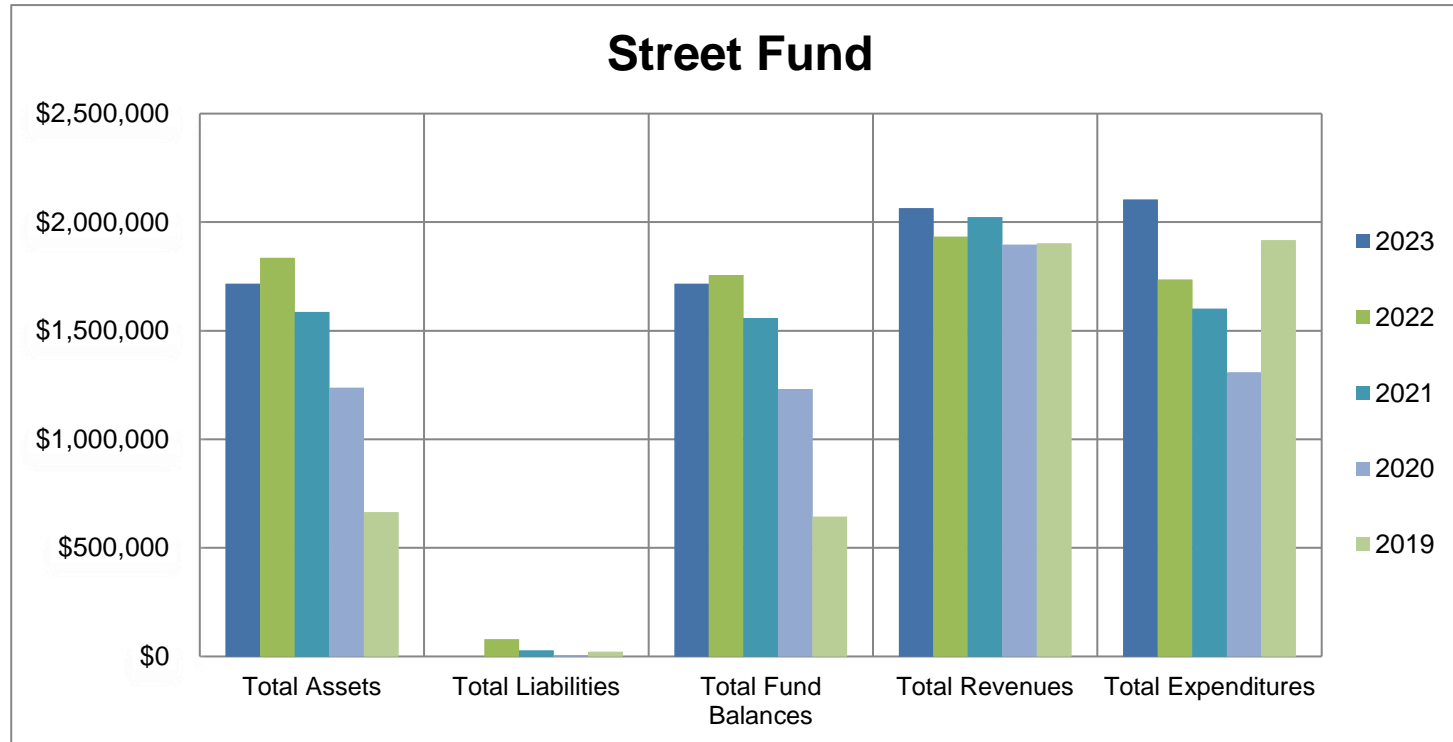
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 41,977,456	\$ 36,712,415	\$ 32,396,513	\$ 24,831,942	\$ 21,660,897
Total Liabilities	1,610,663	545,920	72,412	30,257	737,275
Total Fund Balances	40,366,793	36,166,495	32,324,101	24,801,685	20,923,622
Total Revenues	19,575,911	18,560,710	17,740,370	17,725,192	16,603,597
Total Expenditures	15,234,613	10,641,955	11,649,404	12,366,679	17,164,894
Total Other Financing Sources/Uses	(141,000)	(4,076,361)	1,431,450	(1,480,450)	(836,685)



CITY OF EL DORADO, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 6-2

<u>Street</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,716,949	\$ 1,835,879	\$ 1,586,427	\$ 1,236,857	\$ 664,314
Total Liabilities		79,437	27,887	6,044	21,067
Total Fund Balances	1,716,949	1,756,442	1,558,540	1,230,813	643,247
Total Revenues	2,063,771	1,933,212	2,023,200	1,895,814	1,901,540
Total Expenditures	2,103,264	1,735,310	1,601,755	1,308,248	1,916,398
Total Other Financing Sources/Uses			(93,718)		



CITY OF EL DORADO, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 6-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 1,665,430	\$ 6,238,449	\$ 2,215,152	\$ 3,815,532	\$ 3,603,566
Total Liabilities	691,556	879,072	426,050	165,007	299,200
Total Fund Balances	973,874	5,359,377	1,789,102	3,650,525	3,304,366
Total Revenues	8,955,727	10,899,186	9,995,129	7,708,780	7,174,585
Total Expenditures	13,792,230	11,373,999	10,407,526	8,835,640	7,960,618
Total Other Financing Sources/Uses	451,000	4,045,088	(1,449,026)	1,480,450	236,685

