

**City of Eureka Springs, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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



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 Eureka Springs, 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 Eureka Springs, 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, 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 Eureka Springs, Arkansas as of December 31, 2023; 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 Eureka Springs, Arkansas, as of December 31, 2023, 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.

##### *Emphasis of 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 December 12, 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

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
December 12, 2024  
LOM103323

# Arkansas

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



**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

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 Eureka Springs, 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 Eureka Springs, Arkansas (City), as of and for the year ended December 31, 2023, 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 December 12, 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.

### 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 below as item 2023-1.

2023-1 2 CFR § 200.501 requires City management to obtain a federal compliance audit when federal expenditures exceed \$750,000. The City had federal expenditures in excess of \$750,000 in 2023, 2022, 2021, and 2020 but, due to management oversight, did not obtain federal compliance audits as required. The City could be responsible for repayment of federal expenditures if instances of noncompliance are noted during a federal compliance audit. We recommend the City obtain federal compliance audits for each of the respective years.

2023-1 (Continued)

The City of Eureka Springs agrees with finding 2023-1 and has taken corrective measures as outlined in the following paragraph:

Corrective Action Plan: All audits are in process and will be completed very soon. During COVID, the City got behind on the Water Sewer Audits and the Single Audits. We have made great strides in 2024 to get them caught up. We had some internal conflicts with the change of staff at the auditing firm, but we are back on track now and hope to have these completed by the 1st quarter 2025.

We also reported to management of the City in a separate letter dated December 12, 2024.

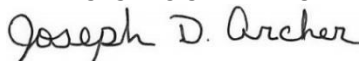
#### **City's Response to Findings**

*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  
December 12, 2024

# Arkansas

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



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House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2023:

Mayor: Robert B. Berry  
Clerk/Treasurer: Ida Meyer  
District Court Clerk: Jessica Perew  
Police Chief: Billy Floyd (appointed October 2023)  
                  Brian Young (retired October 2023)  
City Advertising and Promotion Chairperson: Chris Clifton (appointed February 2023)  
  Jeff Carter (resigned February 2023)  
Historical District Commission Chairperson: Dee Bright  
Parks and Recreation Chairperson: Ruth Hager  
Finance Director: Michael Akins (appointed June 2023)  
Cemetery Commission Chairperson: L. B. Wilson

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.

#### Other Issues

An unauthorized withdrawal of \$2,355 was made from the City's bank account on May 23, 2023. City personnel discovered the unauthorized withdrawal upon review of the affected bank account, and funds were recovered from the bank.

#### Finance Director

Monthly bank reconciliations were not performed timely or prepared properly, as required by Ark. Code Ann. § 14-59-108. A similar finding was noted in the previous three reports.

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Joseph D. Archer".

Joseph D. Archer, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
December 12, 2024



CITY OF EUREKA SPRINGS, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2023

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,852,365	\$ 923,858	\$ 4,985,375
Investments			601,374
Accounts receivable	344,646	59,952	163,676
Interfund receivables	<u>14,142</u>	<u>100</u>	<u>2,921</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,211,153</u></u>	<u><u>\$ 983,910</u></u>	<u><u>\$ 5,753,346</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 63,093	\$ 37,197	\$ 107,527
Interfund payables	100		17,063
Settlements pending			159,782
<b>Total Liabilities</b>	<u>63,193</u>	<u>37,197</u>	<u>284,372</u>
Fund Balances:			
Restricted		946,713	3,721,495
Committed			29,293
Assigned	75,705		1,718,186
Unassigned	<u>3,072,255</u>		
<b>Total Fund Balances</b>	<u>3,147,960</u>	<u>946,713</u>	<u>5,468,974</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 3,211,153</u></u>	<u><u>\$ 983,910</u></u>	<u><u>\$ 5,753,346</u></u>

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

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

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 54,983	\$ 182,716	\$ 186,743
Federal aid	37,185	10,439	834,910
Property taxes	275,358	100,643	40,248
Franchise fees	354,682		
Sales taxes	1,144,635	573,557	2,149,200
Fines, forfeitures, and costs	113,631		10,004
Interest	69,786	24,272	175,449
Local permits and fees	423,194		272,055
Advertising and promotion taxes			2,070,575
Ambulance fees	668,966		
Parking meter fees and fines	135,398		
Employee contributions	93,698		
Promoter ticket sales			53,338
Trolley passenger fares			425,216
Net increase/(decrease) in fair value of investments			49,797
Other	294,463	4,075	150,989
	<u>3,665,979</u>	<u>895,702</u>	<u>6,418,524</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	1,153,989		
Law enforcement	1,751,041		237,028
Highways and streets		1,087,643	32,340
Public safety	1,482,412		438,077
Recreation and culture	19,669		1,177,239
Advertising and promotion			1,656,679
Public transit			1,260,033
Cemetery	50,425		65,803
Wastewater			32,340
Recycling	31,094		
Total Current	<u>4,488,630</u>	<u>1,087,643</u>	<u>4,899,539</u>
Debt Service:			
Bond principal			278,825
Bond interest and other charges			23,614
Financed purchase principal			47,951
Financed purchase interest			23,129
	<u>4,488,630</u>	<u>1,087,643</u>	<u>5,273,058</u>
TOTAL EXPENDITURES			

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

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (822,651)	\$ (191,941)	\$ 1,145,466
OTHER FINANCING SOURCES (USES)			
Transfers in	1,980,970		405,634
Transfers out	(373,294)	(32,340)	(1,980,970)
Contribution to water department	(149,736)		
Contribution from water department		13,789	32,340
TOTAL OTHER FINANCING SOURCES (USES)	1,457,940	(18,551)	(1,542,996)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	635,289	(210,492)	(397,530)
FUND BALANCES - JANUARY 1	2,512,671	1,157,205	5,866,504
FUND BALANCES - DECEMBER 31	\$ 3,147,960	\$ 946,713	\$ 5,468,974

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

CITY OF EUREKA SPRINGS, 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	\$ 422,800	\$ 54,983	\$ (367,817)	\$ 468,725	\$ 182,716	\$ (286,009)
Federal aid		37,185	37,185		10,439	10,439
Property taxes	350,000	275,358	(74,642)	120,000	100,643	(19,357)
Franchise fees	460,000	354,682	(105,318)			
Sales taxes	1,608,500	1,144,635	(463,865)	525,000	573,557	48,557
Fines, forfeitures, and costs	116,200	113,631	(2,569)			
Interest	57,500	69,786	12,286	27,500	24,272	(3,228)
Local permits and fees	423,050	423,194	144			
Ambulance fees	771,000	668,966	(102,034)			
Parking meter fees and fines	123,500	135,398	11,898			
Employer contributions	370,000		(370,000)			
Employee contributions	88,000	93,698	5,698			
Other	311,600	294,463	(17,137)	7,000	4,075	(2,925)
<b>TOTAL REVENUES</b>	<b>5,102,150</b>	<b>3,665,979</b>	<b>(1,436,171)</b>	<b>1,148,225</b>	<b>895,702</b>	<b>(252,523)</b>
EXPENDITURES						
Current:						
General government	2,615,812	1,153,989	1,461,823			
Law enforcement	2,098,479	1,751,041	347,438			
Highways and streets				1,299,715	1,087,643	212,072
Public safety	1,624,034	1,482,412	141,622			
Recreation and culture		19,669	(19,669)			
Cemetery		50,425	(50,425)			
Recycling		31,094	(31,094)			
Total Current	6,338,325	4,488,630	1,849,695	1,299,715	1,087,643	212,072
Debt Service:						
Financed purchase principal	22,800		22,800			
Financed purchase interest	20,175		20,175			
<b>TOTAL EXPENDITURES</b>	<b>6,381,300</b>	<b>4,488,630</b>	<b>1,892,670</b>	<b>1,299,715</b>	<b>1,087,643</b>	<b>212,072</b>

CITY OF EUREKA SPRINGS, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,279,150)	\$ (822,651)	\$ 456,499	\$ (151,490)	\$ (191,941)	\$ (40,451)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,380,011	1,980,970	600,959			
Transfers out	(80,000)	(373,294)	(293,294)		(32,340)	(32,340)
Contribution to water department		(149,736)	(149,736)			
Contribution from water department					13,789	13,789
TOTAL OTHER FINANCING SOURCES (USES)	1,300,011	1,457,940	157,929		(18,551)	(18,551)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	20,861	635,289	614,428	(151,490)	(210,492)	(59,002)
FUND BALANCES - JANUARY 1	2,512,671	2,512,671	0	1,157,205	1,157,205	0
FUND BALANCES - DECEMBER 31	\$ 2,533,532	\$ 3,147,960	\$ 614,428	\$ 1,005,715	\$ 946,713	\$ (59,002)

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

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City of Eureka Springs 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 Waste Water and Hospital Commission. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are not included in this report.

**B. Basis of Presentation – Regulatory**

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

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

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

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

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

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

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

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

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

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

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation – Regulatory (Continued)**

**Other Funds in the Aggregate (Continued)**

Enterprise Fund – 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 and 2 for the Enterprise Fund as reported with other funds in the aggregate.

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

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

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

Settlements Pending

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

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

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

Fund Balance Classifications

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

**E. Property Taxes**

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

**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.



CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**G. Fund Balance Classification Policies and Procedures**

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

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

**NOTE 2: Cash Deposits with Financial Institutions**

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 991,415	\$ 990,086
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	7,675,212	7,942,445
Uninsured and uncollateralized	88,801	88,801
Total Deposits	\$ 8,755,428	\$ 9,021,332

The above total deposits do not include cash on hand of \$6,170.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of the failure of depository financial institution, the City will not be able to recover deposits. A formal policy for custodial credit risk has not been adopted by the City. As of December 31, 2023, \$88,801 of the City's bank balances were exposed to custodial credit risk. The balance exposed to custodial credit risk was deposited in money market accounts which are invested exclusively in U.S. Treasury and Government Obligations and are not FDIC insured or collateralized.

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

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

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments (Continued)**

Pension Trust Funds

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

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

<u>Fund Type</u>	<u>December 31, 2023</u> <u>Fair Value</u>
Pension Trust:	
Firemen's Pension	<u>\$ 601,374</u>

Investments are reported at fair value. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

The City's investments are composed of the following:

<u>December 31, 2023</u> <u>Investment Type</u>	<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Investments</u> <u>Level I</u>
Equities	\$ 314,377
Bond funds	<u>286,997</u>
Total	<u>\$ 601,374</u>

Ark. Code Ann. § 24-11-216 authorizes the Firemen's Pension Board of Trustees to have full power to invest and reinvest monies in accordance with the rules promulgated by the Arkansas Fire and Police Pension Review Board. The code also states the Boards shall establish written investment policies to incorporate a rate of return that is at least equal to the rate of return of one-year United States Treasury notes. The 2023 asset allocation guidelines have been established as follows:

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 4: Public Fund Investments (Continued)**

Asset Allocation	Minimum	Maximum	Allocation Target
Firemen's Pension			
Total Equity	20%	60%	50%
Fixed Income	20%	90%	45%
Real Estate	0%	0%	0%
Cash and Equivalents	0%	30%	5%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The City has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City had invested a total of \$286,997 (48%) in such funds at December 31, 2023. The following summary details the maturity dates in years:

Investment Type	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 - 5	6 - 10
Bond Mutual Funds	\$ 286,997	\$ -	\$ 178,073	\$ 108,924

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The risk is measured by the credit quality rating of investments in debt securities as described by nationally recognized statistical rating organizations. Obligations of or guaranteed by the U.S. Government are not considered to be exposed to credit risk and are not included in this disclosure. The City's exposure to credit risk as of December 31, 2023, is as follows:

Bond Mutual Funds	Fair Value
BBB	\$ 163,088
BBB-	61,626
B+	62,283
Total	<u>\$ 286,997</u>

**NOTE 5: Accounts Receivable**

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid			\$ 75,392
Property taxes	\$ 28,650	\$ 10,330	
Franchise fees	2,822		
Sales taxes	162,905	45,214	77,701
Local permits and fees	22,710		
Advertising and promotion taxes			4,408
Ambulance fees	32,100		
Other	95,459	4,408	6,175
Totals	<u>\$ 344,646</u>	<u>\$ 59,952</u>	<u>\$ 163,676</u>

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 6: Accounts Payable**

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 63,093	\$ 37,197	\$ 107,527

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2023	
	Interfund Receivables	Interfund Payables
General Fund	\$ 14,142	\$ 100
Street Fund	100	
Other Funds in the Aggregate:		
Special Revenue Funds:		
City Advertising and Promotion Commission		361
Parks and Recreation Commission		12,640
Cemetery Commission		1,141
Capital Projects Funds:		
Capital Outlay		2,921
Enterprise Funds:		
Transit	2,921	
Totals	\$ 17,163	\$ 17,163

Interfund receivables and payables consist of errors in depositing restricted revenues, interfund loans, and posting errors. These balances are expected to be repaid in 2024.

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**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:			
General government			\$ 325,597
Law enforcement			15,851
Highways and streets		\$ 946,713	
Recreation and culture			2,507,014
Cemetery			70,255
Pension benefits			688,853
Debt service			113,925
Total Restricted		946,713	3,721,495
Committed for:			
Cemetery			29,293
Assigned to:			
Law enforcement	\$ 75,418		
Recreation and culture	287		
Public transit			1,034,207
Capital outlay			683,979
Total Assigned	75,705		1,718,186
Unassigned	3,072,255		
Totals	\$ 3,147,960	\$ 946,713	\$ 5,468,974

**NOTE 9: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023, the legal debt limit for the bonded debt was \$14,695,873. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2023, the legal debt limit for short-term financing obligations was \$3,877,783. There were no short-term financing obligations.

CITY OF EUREKA SPRINGS, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2023

**NOTE 10: Commitments**

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

	December 31, 2023
Long-term liabilities	\$ 1,750,454
Lease	69,000
 Total Commitments	 \$ 1,819,454

Long-term liabilities

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

	December 31, 2023
<u>Bonds</u>	
Sales and Use Tax Refunding Bonds, Series 2020 dated June 16, 2020, in the amount of \$1,840,566, due in annual installments of \$5,509 to \$292,615 plus interest through October 1, 2027; interest rate of 1.64%. Payments are to be made through the Debt Service Fund.	\$ 1,011,675
<u>Direct Borrowings</u>	
On September 1, 2021, the City of Eureka Springs entered into a financed purchase agreement in the amount of \$458,602, due in monthly installments of \$3,262 including interest, with Stone Bank for the purchase of energy saving improvements. Terms are set forth in the financed purchase contract dated November 6, 2020, between the City of Eureka Springs and BancLeasing, LLC. at 4.153% and due in monthly installments over 16 years. Payments will be made from annually budgeted and legally available funds (Debt Service Fund), but do not constitute pledge or specific revenue.	405,852
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	332,927
 Total Long-term liabilities	 \$ 1,750,454

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

The City's outstanding bonds payable of \$1,011,675 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding direct borrowings of \$405,852 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 EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 10: Commitments (Continued)**

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>Bonds</u>					
6/16/20	10/1/27	1.64%	\$ 1,840,566	\$ 1,011,675	\$ 828,891
<u>Direct Borrowings</u>					
9/1/21	9/1/37	4.153%	458,602	405,852	52,750
Total Long-Term Debt			<u>\$ 2,299,168</u>	<u>\$ 1,417,527</u>	<u>\$ 881,641</u>

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
Bonds payable	\$ 1,290,500	\$ 0	\$ 278,825	\$ 1,011,675
<u>Direct Borrowings</u>				
Financed purchases	453,803	0	47,951	405,852
Total Long-Term Debt	<u>\$ 1,744,303</u>	<u>\$ 0</u>	<u>\$ 326,776</u>	<u>\$ 1,417,527</u>

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 285,748	\$ 16,591	\$ 302,339	\$ 22,641	\$ 16,503	\$ 39,144
2025	286,954	11,905	298,859	23,599	15,545	39,144
2026	292,615	7,199	299,814	24,598	14,546	39,144
2027	146,358	2,400	148,758	25,639	13,505	39,144
2028				26,725	12,419	39,144
2029 through 2033				151,579	44,141	195,720
2034 through 2037				131,071	10,606	141,677
Totals	<u>\$ 1,011,675</u>	<u>\$ 38,095</u>	<u>\$ 1,049,770</u>	<u>\$ 405,852</u>	<u>\$ 127,265</u>	<u>\$ 533,117</u>

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 10: Commitments (Continued)**

Lease

The City entered into a lease agreement for a parking lot with Carroll County on January 1, 2022. Terms of the lease are monthly rental payments of \$1,917 for 60 months. At the end of the lease term, the City can automatically renew the lease. The City is obligated for the following amounts for the next three years:

<u>Year</u>	<u>December 31, 2023</u>
2024	\$ 23,000
2025	23,000
2026	<u>23,000</u>
Total	<u>\$ 69,000</u>

Lease expense for 2023, was \$23,004.

**NOTE 11: Interfund Transfers**

The Other Funds in the Aggregate transferred \$1,828,918 in excess sales taxes and franchise fees, and \$152,052 to reimburse prior-year expenses, to the General Fund. The General Fund transferred the following amounts to the Other Funds in the Aggregate: \$10,000 to support Cemetery Commission operations; \$47,882 for debt service payments; and \$315,412 for capital projects. The Street Fund transferred \$32,340 to the Other Funds in the Aggregate for capital projects.

**NOTE 12: Pledged Revenues**

The City pledged future 1% sales and use taxes to repay \$1,840,566 in bonds that were issued in 2020 to refund bonds issued in 2012. Total principal and interest remaining on the bonds are \$1,011,675 and \$38,095, respectively, payable through October 1, 2027. For 2023, principal and interest paid were \$278,825 and \$21,164, respectively.

The Debt Service Fund received \$1,534,675 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for lawful purposes of the City.

**NOTE 13: Joint Venture**

The Cities of Eureka Springs, Berryville, and Green Forest, and Carroll County entered into an agreement pursuant to Ark. Code Ann. §§ 14-233-101 – 14-233-121, creating the Carroll County Solid Waste Authority (CCSWA). On October 28, 2019, the Arkansas Pollution Control and Ecology Commission approved CCSWA to become a single county Regional Solid Waste Management District. On September 10, 2020, CCSWA board approved changing its name to Carroll County Solid Waste District (CCSWD). The CCSWD was established in an effort to adequately, reliably, and economically dispose of the Cities' and County's solid waste. Payment in the amount of \$15,000 was made to the CCSWD during the 2023 year. Separate financial statements of the CCSWD are available at: 3190 East Van Buren Street, Eureka Springs, AR 72632.

**NOTE 14: Risk Management**

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

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

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



CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: Risk Management (Continued)**

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.

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

**NOTE 15: Firemen's Pension and Relief Plan**

Plan Description

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

CITY OF EUREKA SPRINGS, ARKANSAS  
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DECEMBER 31, 2023

**NOTE 15: Firemen's Pension and Relief Plan (Continued)**

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was \$39,830 for the year ended December 31, 2023. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. Based on the December 31, 2023, actuarial valuation, the plan has a net pension liability of \$45,406.

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

Plan Description

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

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members 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 \$204,862 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$151,715 for the year ended December 31, 2023.

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, (actuarial valuation date and measurement date) was \$3,237,819.

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 17: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.5% as of July 1, 2023. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2023, (date of APERS Employer Allocation Report) was \$12,443.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2023, (actuarial valuation date and measurement date) was \$106,787.

**NOTE 18: Money Purchase Pension Plan**

During the year ended December 31, 1992, the City adopted a money purchase plan covering all employees who are 21 years of age, completed 12 months of service, and have been credited with 1,000 hours of services during the 12-month period beginning with date the employee was hired. Employees can contribute a minimum of 5% of compensation up to Internal Revenue Service limitations and the City matches 5%. Vesting is 20% per year over a period of two to six years.

**NOTE 19: Recycling Facility**

On January 27, 1998, the City leased its Recycled Material Recovery Facility (Facility) to the Carroll County Solid Waste Authority (CCSWA), which was renamed the Carroll County Solid Waste District (CCSWD) in 2020. The Facility (building only), valued at \$265,151 was leased to CCSWD for 99 years at the amount of \$1 per year. The value of the facility has been removed from the City's fixed asset records. On June 1, 2020, the City leased all equipment, valued at \$278,087, utilized in the collection of recyclable materials to the CCSWD for \$1 per year. The value of the equipment leased to the CCSWD has been removed from the City's fixed asset records.

**NOTE 20: Contribution to Water and Waste Water Fund**

For the period January 1, 2013, through December 2023, the General Fund transferred a total of \$1,603,303 to the Water and Waste Water Fund for operating purposes. As of December 31, 2023, the Water and Waste Water Fund owed the General Fund \$1,556,540. It is the City's intention that the Water and Waste Water Fund will reimburse the General Fund in the future; therefore, the transfer was recorded as an interfund receivable in the City's General Fund financial statements. In the audited financial statements, the transfer from the General Fund is presented as a contribution to the water department.

**NOTE 21: Federal Fund Program Compliance**

The 2023, 2022, 2021, and 2020 federal grants have not yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. As of the report date, the City has contracted for an audit of these funds for 2022, 2021, and 2020. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 22: 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/Treasurer Ann Armstrong \$20,971 for the year ended December 31, 2023.

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

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND
	City Advertising and Promotion Commission	Historic District Commission	District Court Automation	Parks and Recreation Commission	Cemetery Commission	American Rescue Plan Act	Capital Outlay
ASSETS							
Cash and cash equivalents	\$ 2,016,996	\$ 8,394	\$ 16,398	\$ 457,550	\$ 100,689	\$ 325,597	\$ 774,960
Investments							
Accounts receivable	4,408			48,444			
Interfund receivables							
<b>TOTAL ASSETS</b>	<b>\$ 2,021,404</b>	<b>\$ 8,394</b>	<b>\$ 16,398</b>	<b>\$ 505,994</b>	<b>\$ 100,689</b>	<b>\$ 325,597</b>	<b>\$ 774,960</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 15,777		\$ 547				\$ 88,060
Interfund payables	361			\$ 12,640	\$ 1,141		2,921
Settlements pending							
<b>Total Liabilities</b>	<b>16,138</b>		<b>547</b>	<b>12,640</b>	<b>1,141</b>		<b>90,981</b>
Fund Balances:							
Restricted	2,005,266	\$ 8,394	15,851	493,354	70,255	\$ 325,597	
Committed					29,293		
Assigned							683,979
<b>Total Fund Balances</b>	<b>2,005,266</b>	<b>8,394</b>	<b>15,851</b>	<b>493,354</b>	<b>99,548</b>	<b>325,597</b>	<b>683,979</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,021,404</b>	<b>\$ 8,394</b>	<b>\$ 16,398</b>	<b>\$ 505,994</b>	<b>\$ 100,689</b>	<b>\$ 325,597</b>	<b>\$ 774,960</b>

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

Schedule 1

	DEBT SERVICE FUND	ENTERPRISE FUND	TRUST FUND	CUSTODIAL FUNDS				Totals
	Debt Service	Transit	Firemen's Pension and Relief	Police Bond and Fine	District Court	Disbursing	Administration of Justice	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 88,801	\$ 952,862	\$ 83,346	\$ 860	\$ 57,714	\$ 99,588	\$ 1,620	\$ 4,985,375
Investments			601,374					601,374
Accounts receivable	25,124	81,567	4,133					163,676
Interfund receivables		2,921						2,921
<b>TOTAL ASSETS</b>	<b>\$ 113,925</b>	<b>\$ 1,037,350</b>	<b>\$ 688,853</b>	<b>\$ 860</b>	<b>\$ 57,714</b>	<b>\$ 99,588</b>	<b>\$ 1,620</b>	<b>\$ 5,753,346</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable		\$ 3,143						\$ 107,527
Interfund payables								17,063
Settlements pending				\$ 860	\$ 57,714	\$ 99,588	\$ 1,620	159,782
Total Liabilities		3,143		860	57,714	99,588	1,620	284,372
Fund Balances:								
Restricted	\$ 113,925		\$ 688,853					3,721,495
Committed								29,293
Assigned		1,034,207						1,718,186
Total Fund Balances	113,925	1,034,207	688,853					5,468,974
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 113,925</b>	<b>\$ 1,037,350</b>	<b>\$ 688,853</b>	<b>\$ 860</b>	<b>\$ 57,714</b>	<b>\$ 99,588</b>	<b>\$ 1,620</b>	<b>\$ 5,753,346</b>

CITY OF EUREKA SPRINGS, 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					
	City Advertising and Promotion Commission	Historic District Commission	District Court Automation	Parks and Recreation Commission	Cemetery Commission	American Rescue Plan Act
REVENUES						
State aid					\$ 10,699	
Federal aid				\$ 73,360		
Property taxes						
Sales taxes				614,525		
Fines, forfeitures, and costs			\$ 10,004			
Interest and dividends	\$ 97,859	\$ 8	347	4,825	1,050	
Local permits and fees				272,055		
Advertising and promotion taxes	2,070,575					
Promoter ticket sales	53,338					
Trolley passenger fares						
Net increase/(decrease) in fair value of investments						
Other	42,247			40,347	33,413	
<b>TOTAL REVENUES</b>	<b>2,264,019</b>	<b>8</b>	<b>10,351</b>	<b>1,005,112</b>	<b>45,162</b>	
EXPENDITURES						
Current:						
Law enforcement			5,578			
Highways and streets						
Public safety						
Recreation and culture	138,428			1,024,108		
Advertising and promotion	1,656,679					
Public transit						
Cemetery					65,803	
Wastewater						
<b>Total Current</b>	<b>1,795,107</b>		<b>5,578</b>	<b>1,024,108</b>	<b>65,803</b>	
Debt Service:						
Bond principal						
Bond interest and other charges						
Financed purchase principal				24,379		
Financed purchase interest				319		
<b>TOTAL EXPENDITURES</b>	<b>1,795,107</b>		<b>5,578</b>	<b>1,048,806</b>	<b>65,803</b>	
<b>EXCESS OF REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<b>468,912</b>	<b>8</b>	<b>4,773</b>	<b>(43,694)</b>	<b>(20,641)</b>	
OTHER FINANCING SOURCES (USES)						
Transfers in					10,000	
Transfers out	(152,052)					
Contribution from water department						
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(152,052)</b>				<b>10,000</b>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)</b>						
<b>EXPENDITURES AND OTHER USES</b>	<b>316,860</b>	<b>8</b>	<b>4,773</b>	<b>(43,694)</b>	<b>(10,641)</b>	
FUND BALANCES - JANUARY 1	1,688,406	8,386	11,078	537,048	110,189	\$ 325,597
FUND BALANCES - DECEMBER 31	<b>\$ 2,005,266</b>	<b>\$ 8,394</b>	<b>\$ 15,851</b>	<b>\$ 493,354</b>	<b>\$ 99,548</b>	<b>\$ 325,597</b>

CITY OF EUREKA SPRINGS, 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 FUNDS		DEBT SERVICE FUND	ENTERPRISE FUND	TRUST FUND	Totals
	Capital Outlay	Capital Projects	Debt Service	Transit	Firemen's Pension and Relief	
REVENUES						
State aid				\$ 169,752	\$ 6,292	\$ 186,743
Federal aid				761,550		834,910
Property taxes					40,248	40,248
Sales taxes			\$ 1,534,675			2,149,200
Fines, forfeitures, and costs						10,004
Interest and dividends	\$ 22,033		7,013	21,652	20,662	175,449
Local permits and fees						272,055
Advertising and promotion taxes						2,070,575
Promoter ticket sales						53,338
Trolley passenger fares				425,216		425,216
Net increase/(decrease) in fair value of investments					49,797	49,797
Other				34,982		150,989
<b>TOTAL REVENUES</b>	<b>22,033</b>		<b>1,541,688</b>	<b>1,413,152</b>	<b>116,999</b>	<b>6,418,524</b>
EXPENDITURES						
Current:						
Law enforcement	231,450					237,028
Highways and streets		\$ 32,340				32,340
Public safety	337,588				100,489	438,077
Recreation and culture		14,703				1,177,239
Advertising and promotion						1,656,679
Public transit				1,260,033		1,260,033
Cemetery						65,803
Wastewater		32,340				32,340
<b>Total Current</b>	<b>569,038</b>	<b>79,383</b>		<b>1,260,033</b>	<b>100,489</b>	<b>4,899,539</b>
Debt Service:						
Bond principal			278,825			278,825
Bond interest and other charges			23,614			23,614
Financed purchase principal			23,572			47,951
Financed purchase interest			22,810			23,129
<b>TOTAL EXPENDITURES</b>	<b>569,038</b>	<b>79,383</b>	<b>348,821</b>	<b>1,260,033</b>	<b>100,489</b>	<b>5,273,058</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(547,005)</b>	<b>(79,383)</b>	<b>1,192,867</b>	<b>153,119</b>	<b>16,510</b>	<b>1,145,466</b>
OTHER FINANCING SOURCES (USES)						
Transfers in	300,709	47,043	47,882			405,634
Transfers out	(500,000)		(1,328,918)			(1,980,970)
Contribution from water department		32,340				32,340
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(199,291)</b>	<b>79,383</b>	<b>(1,281,036)</b>			<b>(1,542,996)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(746,296)</b>		<b>(88,169)</b>	<b>153,119</b>	<b>16,510</b>	<b>(397,530)</b>
FUND BALANCES - JANUARY 1	1,430,275		202,094	881,088	672,343	5,866,504
FUND BALANCES - DECEMBER 31	\$ 683,979	\$ 0	\$ 113,925	\$ 1,034,207	\$ 688,853	\$ 5,468,974



CITY OF EUREKA SPRINGS, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
City Advertising and Promotion Commission	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. Eureka Springs Ordinance no. 1227 (May 14, 1985) established the fund and tax levy.
Historic District Commission	Ark. Code Ann. § 14-172-206 established fund to promote the preservation and protection of buildings, sites, places, and districts of historic interest.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
Parks and Recreation Commission	Ark. Code Ann. § 14-269-301 established fund for the purpose of operating and managing the parks and recreation program.
Cemetery Commission	Eureka Springs Ordinance no. 1031 (February 11, 1978) established Commission for the purpose of operating and maintaining cemetery. Funds were received from a will and testament of a citizen to be used for the cemetery.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Capital Outlay	Eureka Springs Ordinance no. 1120 (May 12, 1981) established to account for capital assets and improvements.
Capital Projects	Established to account for loan proceeds to be disbursed for energy savings equipment.
Debt Service	Eureka Springs Ordinance nos. 1467 (November 22, 1991), 1800 (October 13, 1998), 1827 (February 17, 2000), 1883 (January 10, 2002), and 2063 (September 1, 2007) established fund used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.
Transit	Established to account for revenue and expenditures of the City Transit Department.

CITY OF EUREKA SPRINGS, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
Firemen's Pension and Relief	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
Police Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Disbursing	Established to facilitate disbursements relating to payroll, payroll related costs, and the procurement of goods and services.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.

CITY OF EUREKA SPRINGS, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2023  
(Unaudited)

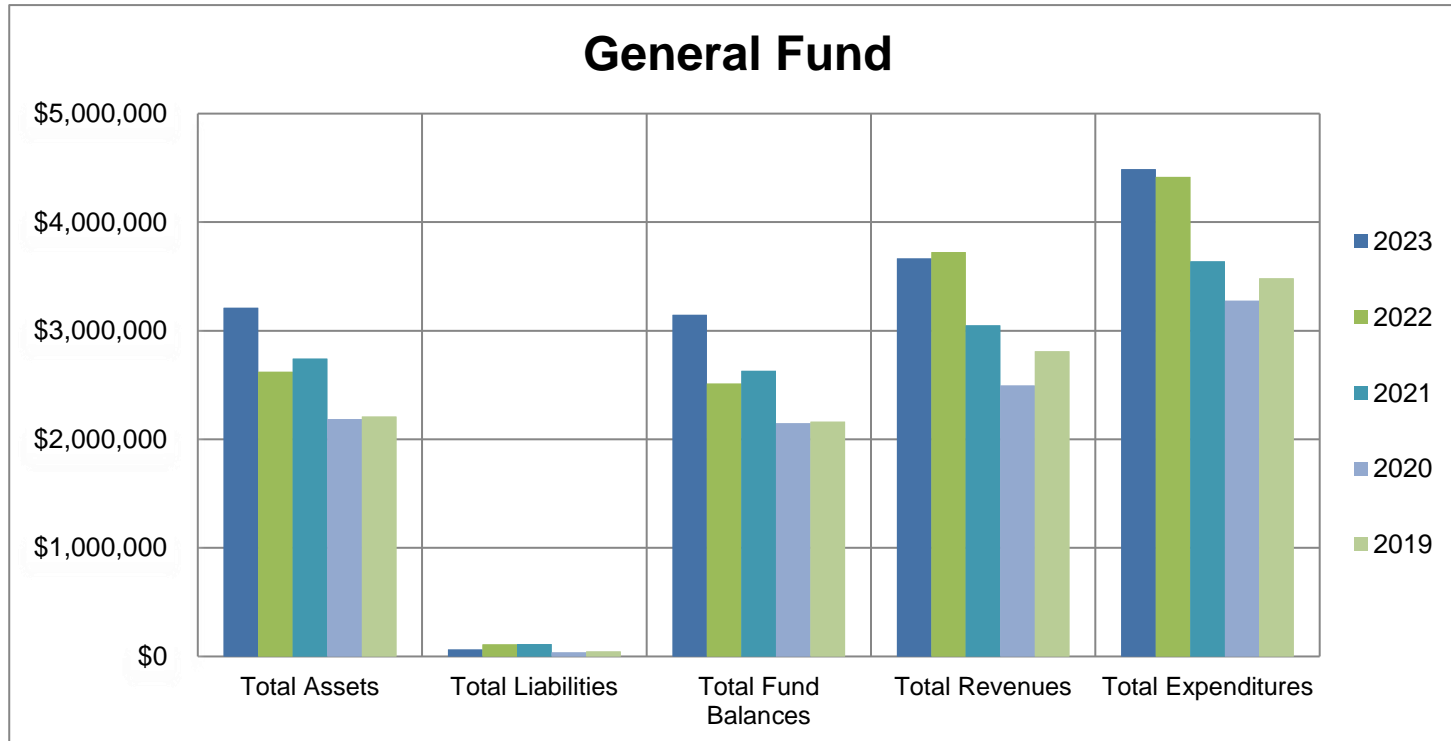
Schedule 3

	December 31, 2023
Land	\$ 973,594
Buildings	12,866,332
Improvements	117,523
Equipment	<u>7,664,436</u>
Total	<u>\$ 21,621,885</u>

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

Schedule 4-1

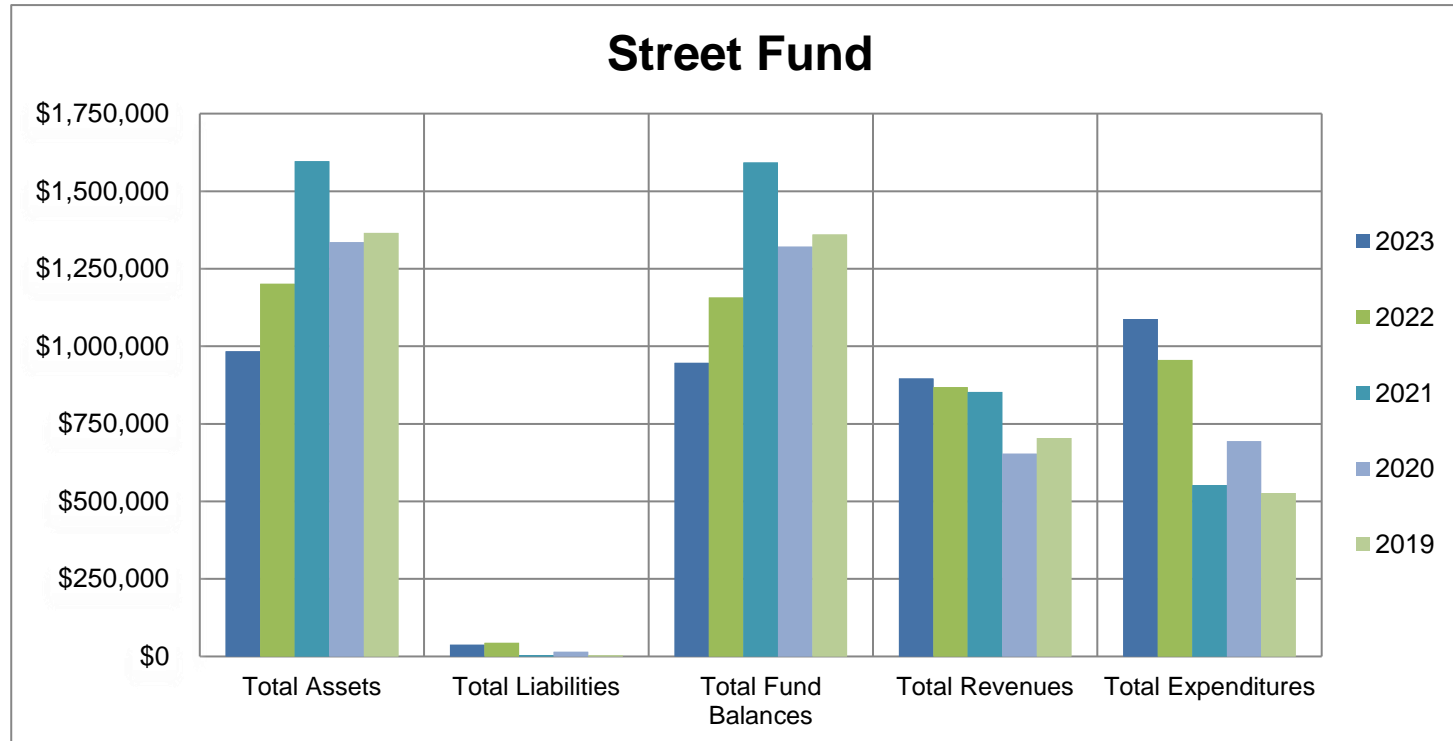
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 3,211,153	\$ 2,622,286	\$ 2,743,213	\$ 2,185,549	\$ 2,208,466
Total Liabilities	63,193	109,615	112,741	37,471	45,775
Total Fund Balances	3,147,960	2,512,671	2,630,472	2,148,078	2,162,691
Total Revenues	3,665,979	3,723,915	3,048,235	2,495,202	2,809,995
Total Expenditures	4,488,630	4,416,247	3,639,769	3,275,429	3,483,791
Total Other Financing Sources/Uses	1,457,940	574,531	1,073,928	765,614	1,018,900



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

Schedule 4-2

<u>Street</u>	2023	2022	2021	2020	2019
Total Assets	\$ 983,910	\$ 1,201,278	\$ 1,596,909	\$ 1,335,799	\$ 1,365,609
Total Liabilities	37,197	44,073	4,778	14,945	4,886
Total Fund Balances	946,713	1,157,205	1,592,131	1,320,854	1,360,723
Total Revenues	895,702	868,180	852,368	653,593	704,122
Total Expenditures	1,087,643	955,616	551,973	693,462	527,121
Total Other Financing Sources/Uses	(18,551)	(347,490)	(29,118)		



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 5,753,346	\$ 6,070,323	\$ 5,599,754	\$ 4,317,915	\$ 3,729,038
Total Liabilities	284,372	203,819	128,388	329,056	115,339
Total Fund Balances	5,468,974	5,866,504	5,471,366	3,988,859	3,613,699
Total Revenues	6,418,524	6,491,741	6,697,408	5,132,108	4,990,462
Total Expenditures	5,273,058	5,930,227	4,666,144	3,571,917	4,041,750
Total Other Financing Sources/Uses	(1,542,996)	(166,376)	(548,757)	(1,185,031)	(1,055,600)

