

City of Van Buren, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF VAN BUREN, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

| | <u>Exhibit</u> |
|--|----------------|
| 2023 | |
| Balance Sheet – Regulatory Basis | A |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis | B |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis | C |
| 2022 | |
| Balance Sheet – Regulatory Basis | A-1 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis | B-1 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis | C-1 |
| 2023 and 2022 | |
| Notes to Financial Statements | |

SUPPLEMENTARY INFORMATION

| | <u>Schedule</u> |
|--|-----------------|
| 2023 | |
| Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis | 1 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis | 2 |
| 2022 | |
| Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis | 3 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis | 4 |
| 2023 and 2022 | |
| Notes to Schedules 1 through 4 | |

OTHER INFORMATION

| | |
|---|-----|
| Schedule of Capital Assets (Unaudited) | 5 |
| Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited) | 6-1 |
| Schedule of Selected Information for the Last Five Years – Street Fund - Regulatory Basis (Unaudited) | 6-2 |
| Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate – Regulatory Basis (Unaudited) | 6-3 |

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 Van Buren, 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 Van Buren, 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, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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, in 2022 the City of Van Buren adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases

As discussed in Note 1 to the financial statements, the City would have included some funds under accounting principles generally accepted in the United States of America (GAAP) as established by the 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 August 15, 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
August 15, 2024
LOM108923

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Van Buren, 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 August 15, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

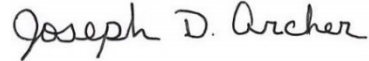
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the City in a separate letter dated August 15, 2024.

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
August 15, 2024

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

MANAGEMENT LETTER

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

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

Mayor: Joe Hurst
Clerk/Treasurer: Shawna Reynolds (elected January 1, 2023)
Phyllis Thomas (retired December 31, 2022)
District Court Clerk: Marie Johnson
Police Chief: Jaime Hammond

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

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

ARKANSAS LEGISLATIVE AUDIT

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

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 15, 2024

CITY OF VAN BUREN, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023

Exhibit A

| | <u>General</u> | <u>Street</u> | <u>Other Funds in the Aggregate</u> |
|--|----------------------|---------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 16,853,289 | \$ 5,920,678 | \$ 1,262,736 |
| Accounts receivable | 1,114,852 | 159 | |
| | <u>\$ 17,968,141</u> | <u>\$ 5,920,837</u> | <u>\$ 1,262,736</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 202,523 | \$ 15,762 | |
| Settlements pending | | | \$ 257,278 |
| Total Liabilities | <u>202,523</u> | <u>15,762</u> | <u>257,278</u> |
| Fund Balances: | | | |
| Restricted | 841,573 | 5,905,075 | 852,905 |
| Committed | 37,793 | | 152,553 |
| Assigned | 10,243,462 | | |
| Unassigned | 6,642,790 | | |
| Total Fund Balances | <u>17,765,618</u> | <u>5,905,075</u> | <u>1,005,458</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 17,968,141</u> | <u>\$ 5,920,837</u> | <u>\$ 1,262,736</u> |

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

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

Exhibit B

| | General | Street | Other Funds in the Aggregate |
|--|-------------------|------------------|------------------------------------|
| REVENUES | | | |
| State aid | \$ 495,771 | \$ 1,958,591 | |
| Federal aid | 564,009 | | \$ 124,975 |
| Property taxes | 670,513 | 502,884 | |
| Franchise fees | 2,250,173 | | |
| Sales taxes | 12,464,216 | | |
| Fines, forfeitures, and costs | 414,839 | | 14,311 |
| Interest | 502,544 | 146,034 | 4,477 |
| Local permits and fees | 487,143 | | 21,302 |
| School resource officer reimbursement | 475,000 | | |
| Employee insurance contributions | 211,410 | 18,868 | |
| County court reimbursement | 359,028 | | |
| Other | 360,250 | 20,710 | |
| TOTAL REVENUES | 19,254,896 | 2,647,087 | 165,065 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,994,959 | | 304,115 |
| Law enforcement | 6,740,925 | | 607,593 |
| Highways and streets | 1,652,076 | 2,163,581 | 284,398 |
| Public safety | 4,618,218 | | 238,023 |
| Recreation and culture | 917,532 | | 1,230,549 |
| Social services | 45,620 | | 93,000 |
| Total Current | 15,969,330 | 2,163,581 | 2,757,678 |
| Debt Service: | | | |
| Financed purchase principal | 99,445 | | |
| Financed purchase interest and other charges | 3,527 | | |
| TOTAL EXPENDITURES | 16,072,302 | 2,163,581 | 2,757,678 |

CITY OF VAN BUREN, 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 | \$ 3,182,594 | \$ 483,506 | \$ (2,592,613) |
| OTHER FINANCING SOURCES (USES) Contribution to water department | (240,000) | | (300,000) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 2,942,594 | 483,506 | (2,892,613) |
| FUND BALANCES - JANUARY 1 | 14,823,024 | 5,421,569 | 3,898,071 |
| FUND BALANCES - DECEMBER 31 | \$ 17,765,618 | \$ 5,905,075 | \$ 1,005,458 |

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

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

Exhibit C

| | General | | | Street | | |
|--|-------------------|-------------------|--|------------------|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| State aid | \$ 495,771 | \$ 495,771 | \$ 0 | \$ 1,958,591 | \$ 1,958,591 | \$ 0 |
| Federal aid | 808,121 | 564,009 | (244,112) | | | |
| Property taxes | 670,513 | 670,513 | 0 | 502,884 | 502,884 | 0 |
| Franchise fees | 2,726,643 | 2,250,173 | (476,470) | | | |
| Sales taxes | 14,556,973 | 12,464,216 | (2,092,757) | | | |
| Fines, forfeitures, and costs | 1,012,274 | 414,839 | (597,435) | | | |
| Interest | 495,206 | 502,544 | 7,338 | 144,775 | 146,034 | 1,259 |
| Local permits and fees | 524,154 | 487,143 | (37,011) | | | |
| School resource officer reimbursement | 570,000 | 475,000 | (95,000) | | | |
| Employee insurance contributions | 211,410 | 211,410 | 0 | 18,868 | 18,868 | 0 |
| County court reimbursement | 359,028 | 359,028 | 0 | | | |
| City pension contributions | 1,260,864 | | (1,260,864) | | | |
| Employee pension contributions | 325,651 | | (325,651) | | | |
| Other | 370,311 | 360,250 | (10,061) | 63,340 | 20,710 | (42,630) |
| TOTAL REVENUES | 24,386,919 | 19,254,896 | (5,132,023) | 2,688,458 | 2,647,087 | (41,371) |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 3,977,562 | 1,994,959 | 1,982,603 | | | |
| Law enforcement | 8,406,059 | 6,740,925 | 1,665,134 | | | |
| Highways and streets | 1,791,029 | 1,652,076 | 138,953 | 2,391,941 | 2,163,581 | 228,360 |
| Public safety | 6,076,271 | 4,618,218 | 1,458,053 | | | |
| Recreation and culture | 914,360 | 917,532 | (3,172) | | | |
| Social services | 45,620 | 45,620 | 0 | | | |
| Total Current | 21,210,901 | 15,969,330 | 5,241,571 | 2,391,941 | 2,163,581 | 228,360 |
| Debt Service: | | | | | | |
| Financed purchase principal | | 99,445 | (99,445) | | | |
| Financed purchase interest and other charges | | 3,527 | (3,527) | | | |
| TOTAL EXPENDITURES | 21,210,901 | 16,072,302 | 5,138,599 | 2,391,941 | 2,163,581 | 228,360 |

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

Exhibit C

| | General | | | Street | | |
|--|---------------|---------------|--|--------------|--------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | \$ 3,176,018 | \$ 3,182,594 | \$ 6,576 | \$ 296,517 | \$ 483,506 | \$ 186,989 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 4,685,793 | | (4,685,793) | | | |
| Transfers out | (4,207,162) | | 4,207,162 | | | |
| Contribution to water department | (240,000) | (240,000) | 0 | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | 238,631 | (240,000) | (478,631) | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 3,414,649 | 2,942,594 | (472,055) | 296,517 | 483,506 | 186,989 |
| FUND BALANCES - JANUARY 1 | 18,797,806 | 14,823,024 | (3,974,782) | 5,173,535 | 5,421,569 | 248,034 |
| FUND BALANCES - DECEMBER 31 | \$ 22,212,455 | \$ 17,765,618 | \$ (4,446,837) | \$ 5,470,052 | \$ 5,905,075 | \$ 435,023 |

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

CITY OF VAN BUREN, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A-1

| | General | Street | Other Funds in the Aggregate |
|--|-----------------------------|----------------------------|------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 13,589,892 | \$ 5,453,726 | \$ 4,142,454 |
| Accounts receivable | 1,546,260 | 50 | |
| TOTAL ASSETS | <u>\$ 15,136,152</u> | <u>\$ 5,453,776</u> | <u>\$ 4,142,454</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 313,128 | \$ 32,207 | |
| Settlements pending | | | \$ 244,383 |
| Total Liabilities | <u>313,128</u> | <u>32,207</u> | <u>244,383</u> |
| Fund Balances: | | | |
| Restricted | 929,496 | 5,421,569 | 3,761,016 |
| Committed | 101,025 | | 137,055 |
| Assigned | 4,321,048 | | |
| Unassigned | 9,471,455 | | |
| Total Fund Balances | <u>14,823,024</u> | <u>5,421,569</u> | <u>3,898,071</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 15,136,152</u> | <u>\$ 5,453,776</u> | <u>\$ 4,142,454</u> |

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

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

Exhibit B-1

| | General | Street | Other Funds in the Aggregate |
|--|-------------------|------------------|------------------------------------|
| REVENUES | | | |
| State aid | \$ 478,741 | \$ 2,004,564 | |
| Federal aid | 792,706 | | \$ 2,489,341 |
| Property taxes | 632,448 | 474,336 | |
| Franchise fees | 2,239,437 | | |
| Sales taxes | 12,663,581 | | |
| Fines, forfeitures, and costs | 350,019 | | 244 |
| Interest | 122,449 | 39,724 | 1,123 |
| Local permits and fees | 462,400 | | 28,404 |
| School resource officer reimbursement | 430,000 | | |
| Employee insurance contributions | 193,680 | 17,820 | |
| County court reimbursement | 337,575 | | |
| Other | 270,694 | 64,214 | |
| TOTAL REVENUES | 18,973,730 | 2,600,658 | 2,519,112 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,910,619 | | 96,000 |
| Law enforcement | 6,809,748 | | 444,704 |
| Highways and streets | 1,566,793 | 1,618,287 | 90,461 |
| Public safety | 4,397,579 | | 312,000 |
| Recreation and culture | 884,983 | | 48,023 |
| Social services | 36,962 | | |
| Total Current | 15,606,684 | 1,618,287 | 991,188 |
| Debt Service: | | | |
| Financed purchase principal | 99,474 | | |
| Financed purchase interest and other charges | 3,499 | | |
| TOTAL EXPENDITURES | 15,709,657 | 1,618,287 | 991,188 |

CITY OF VAN BUREN, 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 |
|--|---------------|--------------|------------------------------------|
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | \$ 3,264,073 | \$ 982,371 | \$ 1,527,924 |
| OTHER FINANCING SOURCES (USES) Contribution to water department | (240,142) | | (204,000) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 3,023,931 | 982,371 | 1,323,924 |
| FUND BALANCES - JANUARY 1 | 11,799,093 | 4,439,198 | 2,574,147 |
| FUND BALANCES - DECEMBER 31 | \$ 14,823,024 | \$ 5,421,569 | \$ 3,898,071 |

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

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

Exhibit C-1

| | General | | | Street | | |
|--|-------------------|-------------------|--|------------------|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| State aid | \$ 478,741 | \$ 478,741 | \$ 0 | \$ 2,004,564 | \$ 2,004,564 | \$ 0 |
| Federal aid | 792,706 | 792,706 | 0 | | | |
| Property taxes | 632,449 | 632,448 | (1) | 474,336 | 474,336 | 0 |
| Franchise fees | 2,239,437 | 2,239,437 | 0 | | | |
| Sales taxes | 12,663,581 | 12,663,581 | 0 | | | |
| Fines, forfeitures, and costs | 782,806 | 350,019 | (432,787) | | | |
| Interest | 121,291 | 122,449 | 1,158 | 40,984 | 39,724 | (1,260) |
| Local permits and fees | 462,400 | 462,400 | 0 | | | |
| School resource officer reimbursement | 430,000 | 430,000 | 0 | | | |
| Employee insurance contributions | 193,680 | 193,680 | 0 | 17,820 | 17,820 | 0 |
| County court reimbursement | 337,575 | 337,575 | 0 | | | |
| City pension contributions | 1,222,101 | | (1,222,101) | | | |
| Employee pension contributions | 287,501 | | (287,501) | | | |
| Other | 270,694 | 270,694 | 0 | 64,214 | 64,214 | 0 |
| TOTAL REVENUES | 20,914,962 | 18,973,730 | (1,941,232) | 2,601,918 | 2,600,658 | (1,260) |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 2,181,547 | 1,910,619 | 270,928 | | | |
| Law enforcement | 8,339,648 | 6,809,748 | 1,529,900 | | | |
| Highways and streets | 1,566,793 | 1,566,793 | 0 | 1,772,320 | 1,618,287 | 154,033 |
| Public safety | 5,945,161 | 4,397,579 | 1,547,582 | | | |
| Recreation and culture | 905,237 | 884,983 | 20,254 | | | |
| Social services | 32,449 | 36,962 | (4,513) | | | |
| Total Current | 18,970,835 | 15,606,684 | 3,364,151 | 1,772,320 | 1,618,287 | 154,033 |
| Debt Service: | | | | | | |
| Financed purchase principal | | 99,474 | (99,474) | | | |
| Financed purchase interest and other charges | | 3,499 | (3,499) | | | |
| TOTAL EXPENDITURES | 18,970,835 | 15,709,657 | 3,261,178 | 1,772,320 | 1,618,287 | 154,033 |

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

Exhibit C-1

| | General | | | Street | | |
|--|----------------------|----------------------|--|---------------------|---------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | \$ 1,944,127 | \$ 3,264,073 | \$ 1,319,946 | \$ 829,598 | \$ 982,371 | \$ 152,773 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 4,935,213 | | (4,935,213) | | | |
| Contribution to water department | (240,142) | (240,142) | 0 | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | 4,695,071 | (240,142) | (4,935,213) | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 6,639,198 | 3,023,931 | (3,615,267) | 829,598 | 982,371 | 152,773 |
| FUND BALANCES - JANUARY 1 | 12,014,614 | 11,799,093 | (215,521) | 4,343,936 | 4,439,198 | 95,262 |
| FUND BALANCES - DECEMBER 31 | <u>\$ 18,653,812</u> | <u>\$ 14,823,024</u> | <u>\$ (3,830,788)</u> | <u>\$ 5,173,534</u> | <u>\$ 5,421,569</u> | <u>\$ 248,035</u> |

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

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

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

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

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. 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.

CITY OF VAN BUREN, 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.

CITY OF VAN BUREN, 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 is as follows:

| | December 31, 2023 | |
|--|--------------------|-----------------|
| | Carrying Amount | Bank Balance |
| Insured (FDIC) | \$ 500,000 | \$ 500,000 |
| Collateralized: | | |
| Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name | 23,536,503 | 23,910,791 |
| Total Deposits | \$ 24,036,503 | \$ 24,410,791 |

The above total deposits do not include cash on hand of \$200.

| | December 31, 2022 | |
|--|--------------------|-----------------|
| | Carrying Amount | Bank Balance |
| Insured (FDIC) | \$ 500,000 | \$ 500,000 |
| Collateralized: | | |
| Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name | 22,685,822 | 23,132,559 |
| Total Deposits | \$ 23,185,822 | \$ 23,632,559 |

The above total deposits do not include cash on hand of \$250.

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 VAN BUREN, 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 | Street Fund |
|---------------------------------------|---------------------|---------------|
| Federal aid | \$ 31,223 | |
| Franchise fees | 217,869 | |
| Sales taxes | 706,649 | |
| Fines, forfeitures, and costs | 49,903 | |
| Interest | 1,039 | |
| Local permits and fees | 21,097 | |
| School resource officer reimbursement | 47,500 | |
| Other | 39,572 | \$ 159 |
| Totals | \$ 1,114,852 | \$ 159 |

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

| Description | General Fund | Street Fund |
|---------------------------------------|---------------------|--------------|
| Federal aid | \$ 122,055 | |
| Franchise fees | 238,235 | |
| Sales taxes | 1,046,379 | |
| Fines, forfeitures, and costs | 66,623 | |
| Interest | 392 | |
| Local permits and fees | 18,691 | |
| School resource officer reimbursement | 47,500 | |
| Other | 6,385 | \$ 50 |
| Totals | \$ 1,546,260 | \$ 50 |

NOTE 5: Accounts Payable

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

| Description | General Fund | Street Fund |
|-----------------|-------------------|------------------|
| Vendor payables | <u>\$ 202,523</u> | <u>\$ 15,762</u> |

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

| Description | General Fund | Street Fund |
|-----------------|-------------------|------------------|
| Vendor payables | <u>\$ 313,128</u> | <u>\$ 32,207</u> |

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6: 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 | | | \$ 833,698 |
| Law enforcement | \$ 396,074 | | 19,207 |
| Highways and streets | | \$ 5,905,075 | |
| Police, fire, and other emergency service purposes, parks, and recreation purposes, and economic development purposes | 445,499 | | |
| Total Restricted | <u>841,573</u> | <u>5,905,075</u> | <u>852,905</u> |
| Committed for: | | | |
| Law enforcement | 37,793 | | |
| Highways and streets | | | 152,553 |
| Total Committed | <u>37,793</u> | | <u>152,553</u> |
| Assigned to: | | | |
| Law enforcement | 1,187,550 | | |
| Public safety | 1,684,325 | | |
| Recreation and culture | 425,711 | | |
| Social services | 38,753 | | |
| Capital outlay | 6,454,558 | | |
| Total Assigned | <u>10,243,462</u> | | |
| Unassigned | <u>6,642,790</u> | | |
| Totals | <u>\$ 17,765,618</u> | <u>\$ 5,905,075</u> | <u>\$ 1,005,458</u> |

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6: 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: | | | |
| General government | | | \$ 3,748,895 |
| Law enforcement | \$ 391,642 | | 12,121 |
| Highw ays and streets | | \$ 5,421,569 | |
| Police, fire, and other emergency service purposes, parks, and recreation purposes, and economic development purposes | 537,854 | | |
| Total Restricted | <u>929,496</u> | <u>5,421,569</u> | <u>3,761,016</u> |
| Committed for: | | | |
| General government | 38,675 | | |
| Law enforcement | 62,350 | | |
| Highw ays and streets | | | 137,055 |
| Total Committed | <u>101,025</u> | | <u>137,055</u> |
| Assigned to: | | | |
| General government | 406,018 | | |
| Law enforcement | 1,002,404 | | |
| Public safety | 1,598,038 | | |
| Recreation and culture | 42,946 | | |
| Social services | 46,043 | | |
| Capital outlay | 1,225,599 | | |
| Total Assigned | <u>4,321,048</u> | | |
| Unassigned | <u>9,471,455</u> | | |
| Totals | <u>\$ 14,823,024</u> | <u>\$ 5,421,569</u> | <u>\$ 3,898,071</u> |

NOTE 7: 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 \$66,217,317 and \$64,298,176, respectively. 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 and 2022, the legal debt limit for short-term financing obligations was \$17,417,541 and \$16,916,390, respectively. The amount of short-term financing obligations was \$101,442 and \$200,887 leaving a legal debt margin of \$17,316,099 and \$16,715,503, respectively.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8: Commitments

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

| | December 31, 2023 | December 31, 2022 |
|--------------------------|----------------------|----------------------|
| Long-term liabilities | \$ 2,552,212 | \$ 2,459,944 |
| Construction contracts | 950,220 | |
| Total Commitments | \$ 3,502,432 | \$ 2,459,944 |

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 dated December 9, 2021, with Citizen's Bank in the amount of \$300,361, with interest rate of 2% for purchase of a 2022 Pierce Saber FR Pumper Fire Truck; six (6) semiannual payments of \$51,486 beginning February 9, 2022, followed by a single payment of the entire unpaid balance of principal and interest at maturity. Payments are to be made from the General Fund. | \$ 101,442 | \$ 200,887 |
| Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost. | 2,450,770 | 2,259,057 |
| Total Long-term liabilities | \$ 2,552,212 | \$ 2,459,944 |

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

The City's outstanding financed purchase agreement from direct borrowings of \$101,442 and \$200,887 as of 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.

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 Borrowing</u> | | | | | |
| 12/9/21 | 8/9/24 | 2.00% | \$ 300,361 | \$ 101,442 | \$ 198,919 |

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8: Commitments (Continued)

Long-Term Debt Issued and Outstanding (Continued)

| 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 Borrowing</u> | | | | | |
| 12/9/21 | 8/9/24 | 2.00% | \$ 300,361 | \$ 200,887 | \$ 99,474 |

Changes in Long-Term Debt

| | Balance January 01, 2023 | Issued | Retired | Balance December 31, 2023 |
|-------------------------|-----------------------------|--------|-----------|------------------------------|
| <u>Direct Borrowing</u> | | | | |
| Financed purchase | \$ 200,887 | \$ 0 | \$ 99,445 | \$ 101,442 |

| | Balance January 01, 2022 | Issued | Retired | Balance December 31, 2022 |
|-------------------------|-----------------------------|--------|-----------|------------------------------|
| <u>Direct Borrowing</u> | | | | |
| Financed purchase | \$ 300,361 | \$ 0 | \$ 99,474 | \$ 200,887 |

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 | \$ 101,442 | \$ 1,531 | \$ 102,973 |

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

| Years Ending December 31, | Direct Borrowings | | |
|------------------------------|-------------------|----------|------------|
| | Principal | Interest | Total |
| 2023 | \$ 99,445 | \$ 3,527 | \$ 102,972 |
| 2024 | 101,442 | 1,531 | 102,973 |
| Totals | \$ 200,887 | \$ 5,058 | \$ 205,945 |

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8: Commitments (Continued)

Construction Contracts

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

| <u>Project Name</u> | <u>Completed Date</u> | <u>Contract Balance December 31, 2023</u> |
|------------------------------|-----------------------|---|
| Skate Park | 1/29/2024 | \$ 300,000 |
| Azura Hills Drainage | 8/1/2024 | 52,229 |
| Skate Park Lighting Project | 6/12/2024 | 91,500 |
| Street Overlay Improvements | 2/1/2024 | 422,156 |
| Tennis Court Resurfacing | 1/11/2024 | 84,335 |
| | | <hr/> |
| Total Construction Contracts | | <u>\$ 950,220</u> |

NOTE 9: Joint Venture - Western Arkansas Intermodal Authority

Sebastian and Crawford Counties, and the Cities of Fort Smith and Van Buren entered into an agreement on July 21, 2009, in accordance with Ark. Code Ann. § 14-143-103 to establish the Western Arkansas Intermodal Authority. Funding is provided by taxes levied upon and collected from shippers, transporters, or users loading or unloading freight and commerce or passengers at a terminal facility of the Western Arkansas Intermodal Authority. The City provided \$21,140 and \$18,125, of funding to the Western Arkansas Intermodal Authority in 2023 and 2022, respectively. Separate financial statements for the Western Arkansas Intermodal Authority are available at: 1109 S. 16th Street, Fort Smith, AR 72901.

NOTE 10: Jointly Governed Organization - West River Valley Solid Waste Management District

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

NOTE 11: Interlocal Agreements

District Court Judge

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

Crawford County

The City of Van Buren and Crawford County entered into an agreement in 2016 concerning the operational expenses of the Van Buren District Court by Crawford County in accordance with Ark. Code Ann. § 16-17-1203. The City received \$359,028 and \$337,575 in reimbursements from Crawford County for the operational expenses of the Van Buren District Court for 2023 and 2022, respectively. Effective upon this agreement, the employees of the Van Buren District Court shall become full-time employees of the City of Van Buren.

Crawford County Emergency Communications Center

The City of Van Buren, Crawford County, and the Cities of Alma, Kibler, Mulberry, Mountainburg, Rudy, Chester, Dyer, and Cedarville entered into a Memorandum of Understanding concerning contributions to operate and maintain a 911 emergency dispatch center. This agreement was entered into in 2022. The City of Van Buren contributed \$63,617 and \$88,461 in 2023 and 2022, respectively, to the Center.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11: Interlocal Agreements (Continued)

Hazmat Response Program

The City of Van Buren, Crawford County, and the Cities of Alma, Kibler, Mulberry, Mountainburg, Dyer, and Cedarville entered into an agreement concerning contributions to operate and maintain a County Hazmat Response Program. This agreement was entered into in 2003. The City of Van Buren contributed \$9,493 to the Program during both 2023 and 2022.

Regional Crisis Stabilization Unit

The City entered into an interlocal agreement dated August 16, 2018, with the counties and cities in the Sebastian County mental health catchment area, including Sebastian, Crawford, Franklin, Logan, Scott, and Polk Counties and all incorporated cities in these counties, concerning the operations of the Sebastian County Regional Crisis Stabilization Unit. This program will be utilized by the counties and cities to divert people who are experiencing a mental health crisis from jail to get the treatment they need, as determined by the medical service provider who is trained to recognize and treat behavioral-health issues. The program shall be maintained by the Sebastian County Judge. State funding of \$1.6 million annually has been allocated for Sebastian County to operate the crisis stabilization unit based upon daily billable services to each individual treated and subject to Medicaid reimbursements and other patient insurance. Sebastian County will initially pay all expenses incurred for operations and management of the program. The counties and cities will participate in a cost sharing agreement based on the cost per day for services for each patient, which will be determined by actual operations expenses. The cost sharing will equitably allocate the unreimbursed cost to each governmental entity participating in the program, after consideration of grant funding and allowable insurance reimbursements. The cost sharing agreement will be based upon the collection of actual operations data in the first year of service, and each year thereafter, as appropriate for annual adjustment. In addition, to defray maintenance and operation costs the counties and cities agree to pay a daily rate of \$5 for services provided each day of care, for the length of stay. Sebastian County had planned to send a monthly itemized bill to each county and city, beginning August 1, 2018, to receive reimbursement for each county's and city's equitable share of expenses. However, Sebastian County has not billed the counties or cities for costs as of August 15, 2024.

Metropolitan Planning Organization

The City of Van Buren, Crawford County, Sebastian County, the Cities of Alma, Barling, Bonanza, Central City, Fort Smith, Greenwood, Kibler, and Lavaca, the Western Arkansas Intermodal Authority and the Fort Smith Regional Airport Commission within the State of Arkansas along with Leflore County, Sequoyah County, the Towns of Arkoma, Moffett, and Pocola within the State of Oklahoma entered into an agreement to form a Metropolitan Planning Organization is to be known as the "Frontier Metropolitan Planning Organization". During 2023 and 2022, the City contributed \$1,500 each year in support of this organization.

Van Buren School District

The City of Van Buren and the Van Buren School District entered into an agreement in 2018 concerning the collaborative efforts to provide a safe and healthy school environment for the students, staff, faculty, and visitors. During 2023 and 2022, the City received \$475,000 and \$422,500, respectively, in reimbursements from the Van Buren School District for the salaries of the School Resource Officers. Effective upon this agreement, the salaries of the School Resource Officer's will be shared by the Van Buren Police Department and the Van Buren School District, unless funded completely by grant monies.

NOTE 12: 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 VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 12: 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 13: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

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

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

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

**NOTE 13: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan) (Continued)**

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$1,164,497 and \$1,090,321 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$565,316 and \$508,079 for the years 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 December 31, 2022, (actuarial valuation date and measurement date) was \$11,495,472 and \$12,892,072, respectively.

NOTE 14: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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 years ended June 30, 2023 and June 30, 2022 (date of APERS Employer Allocation Report), was \$356,488 and \$358,640, 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 June 30, 2023 and June 30, 2022, (actuarial valuation date and measurement date) was \$3,059,511 and \$3,019,785, respectively.

CITY OF VAN BUREN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 15: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid the surviving spouse of former Mayor Allen Ray Toothaker \$10,512 and \$10,512, respectively, for the year ended December 31, 2023 and December 31, 2022.

NOTE 16: 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 2022, the City was awarded \$4,906,664 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$4,906,664 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 VAN BUREN, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

| | SPECIAL REVENUE FUNDS | | | | CUSTODIAL FUND | Totals |
|--|-----------------------|--------------------|------------------|-----------------------------|------------------------------------|---------------------|
| | Sidewalk | Federal Forfeiture | State Forfeiture | American Rescue Plan Act | District Court and Civil Claims | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 152,553 | \$ 2,227 | \$ 16,980 | \$ 833,698 | \$ 257,278 | \$ 1,262,736 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Settlements pending | | | | | \$ 257,278 | \$ 257,278 |
| Fund Balances: | | | | | | |
| Restricted | | \$ 2,227 | \$ 16,980 | \$ 833,698 | | 852,905 |
| Committed | \$ 152,553 | | | | | 152,553 |
| Total Fund Balances | 152,553 | 2,227 | 16,980 | 833,698 | | 1,005,458 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 152,553 | \$ 2,227 | \$ 16,980 | \$ 833,698 | \$ 257,278 | \$ 1,262,736 |

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

Schedule 2

| | SPECIAL REVENUE FUNDS | | | | | |
|--|-----------------------|-----------------------|------------------|-----------------------------|------------------------|---------------------|
| | Sidewalk | Federal Forfeiture | State Forfeiture | American Rescue Plan Act | Boys and Girls Club | Totals |
| REVENUES | | | | | | |
| Federal aid | | | | | \$ 124,975 | \$ 124,975 |
| Fines, forfeitures, and costs | | | \$ 14,311 | | | 14,311 |
| Interest | \$ 4,043 | \$ 63 | 371 | | | 4,477 |
| Local permits and fees | 21,302 | | | | | 21,302 |
| TOTAL REVENUES | 25,345 | 63 | 14,682 | | 124,975 | 165,065 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | \$ 304,115 | | 304,115 |
| Law enforcement | | | 7,659 | 599,934 | | 607,593 |
| Highways and streets | 9,847 | | | 274,551 | | 284,398 |
| Public safety | | | | 238,023 | | 238,023 |
| Recreation and culture | | | | 1,105,574 | 124,975 | 1,230,549 |
| Social services | | | | 93,000 | | 93,000 |
| TOTAL EXPENDITURES | 9,847 | | 7,659 | 2,615,197 | 124,975 | 2,757,678 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 15,498 | 63 | 7,023 | (2,615,197) | | (2,592,613) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Contribution to water department | | | | (300,000) | | (300,000) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 15,498 | 63 | 7,023 | (2,915,197) | | (2,892,613) |
| FUND BALANCES - JANUARY 1 | 137,055 | 2,164 | 9,957 | 3,748,895 | | 3,898,071 |
| FUND BALANCES - DECEMBER 31 | <u>\$ 152,553</u> | <u>\$ 2,227</u> | <u>\$ 16,980</u> | <u>\$ 833,698</u> | <u>\$ 0</u> | <u>\$ 1,005,458</u> |

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

Schedule 3

| | SPECIAL REVENUE FUNDS | | | | CUSTODIAL FUND | Totals |
|--|-----------------------|--------------------|------------------|-----------------------------|------------------------------------|---------------------|
| | Sidewalk | Federal Forfeiture | State Forfeiture | American Rescue Plan Act | District Court and Civil Claims | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 137,055 | \$ 2,164 | \$ 9,957 | \$ 3,748,895 | \$ 244,383 | \$ 4,142,454 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Settlements pending | | | | | \$ 244,383 | \$ 244,383 |
| Fund Balances: | | | | | | |
| Restricted | | \$ 2,164 | \$ 9,957 | \$ 3,748,895 | | 3,761,016 |
| Committed | \$ 137,055 | | | | | 137,055 |
| Total Fund Balances | 137,055 | 2,164 | 9,957 | 3,748,895 | | 3,898,071 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 137,055 | \$ 2,164 | \$ 9,957 | \$ 3,748,895 | \$ 244,383 | \$ 4,142,454 |

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

Schedule 4

| | SPECIAL REVENUE FUNDS | | | | | Totals |
|--|-----------------------|-----------------------|------------------|-----------------------------|------------------------|---------------------|
| | Sidewalk | Federal Forfeiture | State Forfeiture | American Rescue Plan Act | Boys and Girls Club | |
| REVENUES | | | | | | |
| Federal aid | | | | \$ 2,453,318 | \$ 36,023 | \$ 2,489,341 |
| Fines, forfeitures, and costs | | | \$ 244 | | | 244 |
| Interest | \$ 1,018 | \$ 17 | 88 | | | 1,123 |
| Local permits and fees | 28,404 | | | | | 28,404 |
| TOTAL REVENUES | 29,422 | 17 | 332 | 2,453,318 | 36,023 | 2,519,112 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | 96,000 | | 96,000 |
| Law enforcement | | | 1,322 | 443,382 | | 444,704 |
| Highways and streets | | | | 90,461 | | 90,461 |
| Public safety | | | | 312,000 | | 312,000 |
| Recreation and culture | | | | 12,000 | 36,023 | 48,023 |
| TOTAL EXPENDITURES | | | 1,322 | 953,843 | 36,023 | 991,188 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 29,422 | 17 | (990) | 1,499,475 | | 1,527,924 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Contribution to water department | | | | (204,000) | | (204,000) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 29,422 | 17 | (990) | 1,295,475 | | 1,323,924 |
| FUND BALANCES - JANUARY 1 | 107,633 | 2,147 | 10,947 | 2,453,420 | | 2,574,147 |
| FUND BALANCES - DECEMBER 31 | <u>\$ 137,055</u> | <u>\$ 2,164</u> | <u>\$ 9,957</u> | <u>\$ 3,748,895</u> | <u>\$ 0</u> | <u>\$ 3,898,071</u> |

CITY OF VAN BUREN, 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> |
|---------------------------------|--|
| Sidewalk | Van Buren Ordinance no. 5-1997 (March 17, 1997) established the fund for the construction and maintenance of sidewalks. A percentage of building permit revenue is committed for funding. |
| Federal Forfeiture | Ark. Code Ann. § 5-64-505 established the fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. |
| State Forfeiture | Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes. |
| 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. |
| Boys and Girls Club | Established to account for grant received from Arkansas Economic Development Commission (AEDC) for improvements to the local Boys and Girls Club. |
| District Court and Civil Claims | Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the District Court. Ark. Code Ann. § 16-17-707 established account to receive fees relating to small claims and civil case filings. |

CITY OF VAN BUREN, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2023 AND 2022
 (Unaudited)

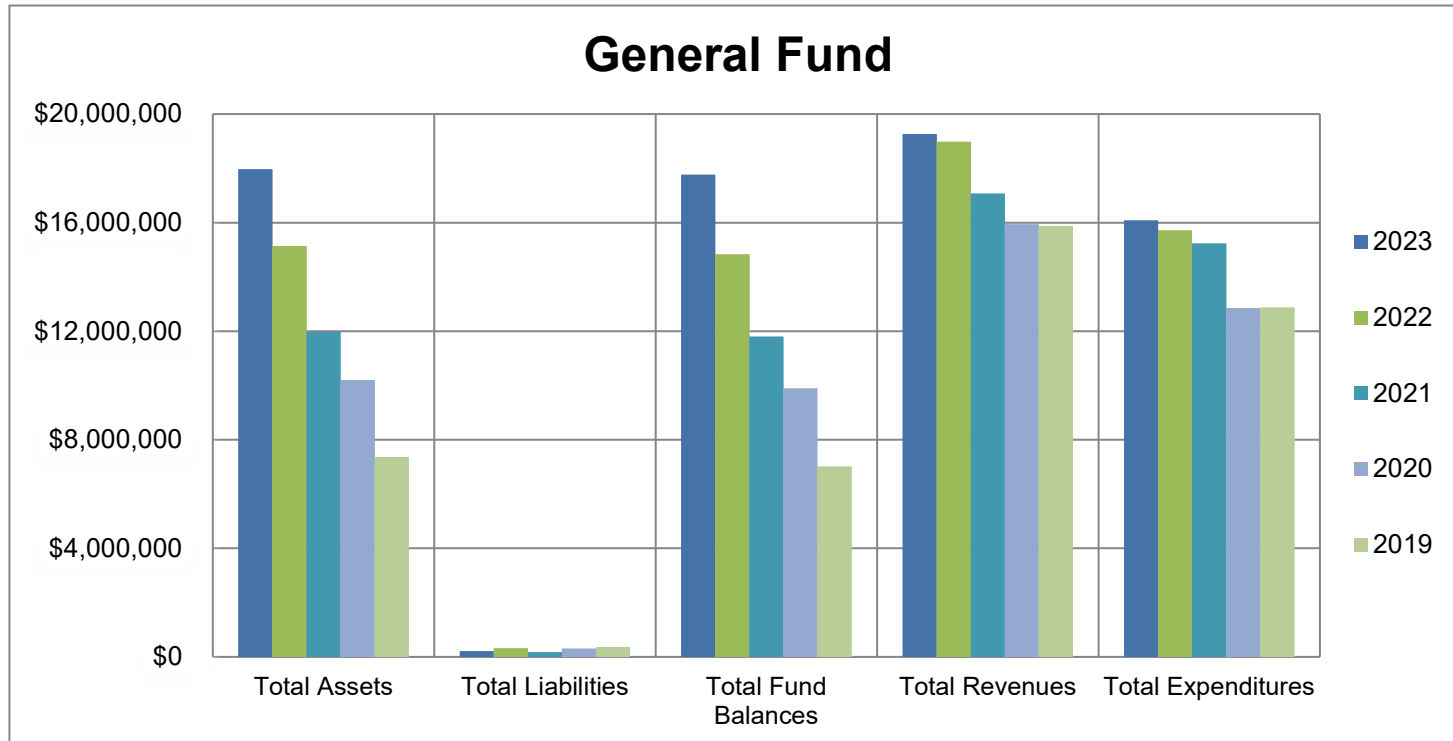
Schedule 5

| | December 31, 2023 | December 31, 2022 |
|-----------------------------------|----------------------|----------------------|
| Land | \$ 4,976,227 | \$ 4,751,227 |
| Buildings | 17,686,922 | 17,496,922 |
| Improvements other than buildings | 7,321,420 | 6,082,428 |
| Equipment | 8,762,165 | 7,814,654 |
| Totals | \$ 38,746,734 | \$ 36,145,231 |

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

Schedule 6-1

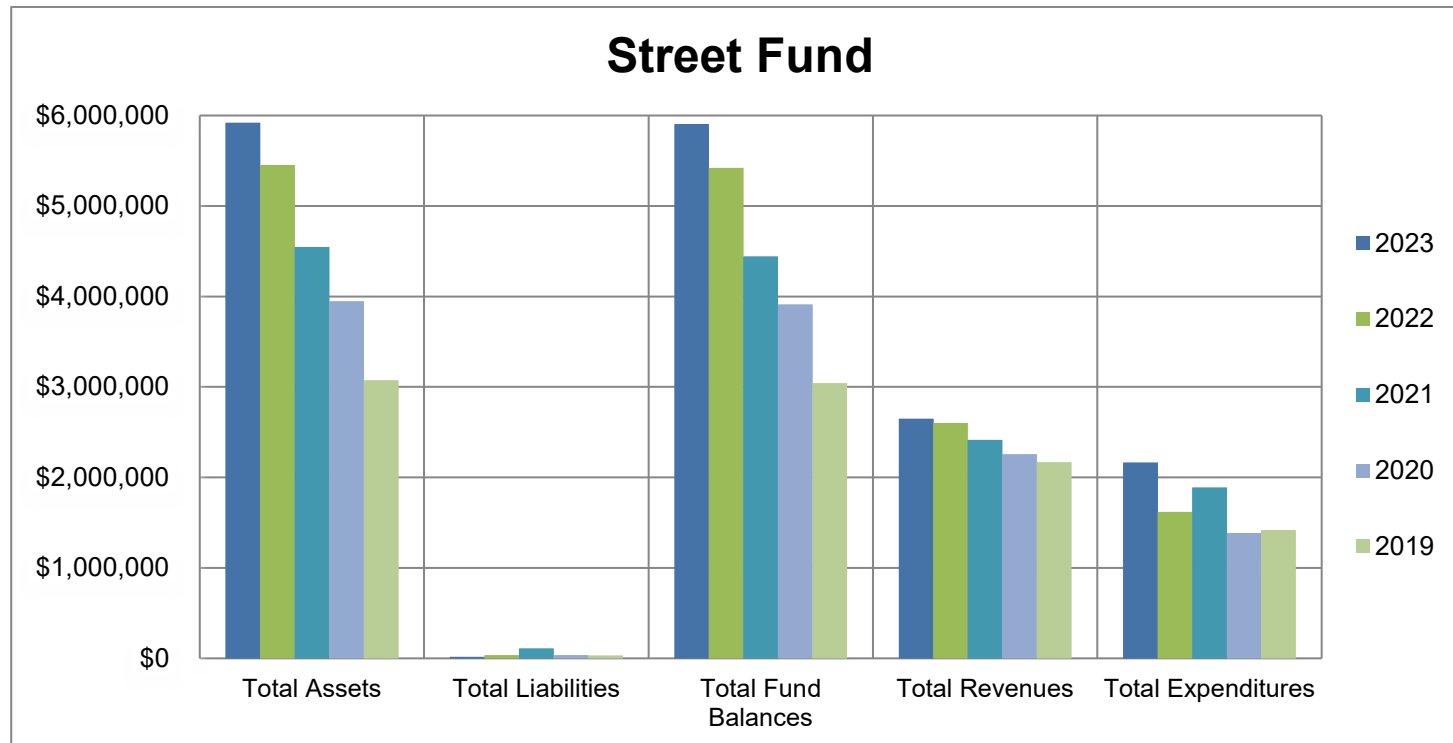
| <u>General</u> | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Total Assets | \$ 17,968,141 | \$ 15,136,152 | \$ 11,975,156 | \$ 10,190,674 | \$ 7,369,473 |
| Total Liabilities | 202,523 | 313,128 | 176,063 | 299,296 | 360,237 |
| Total Fund Balances | 17,765,618 | 14,823,024 | 11,799,093 | 9,891,378 | 7,009,236 |
| Total Revenues | 19,254,896 | 18,973,730 | 17,069,649 | 15,931,333 | 15,881,452 |
| Total Expenditures | 16,072,302 | 15,709,657 | 15,222,295 | 12,843,292 | 12,870,269 |
| Total Other Financing Sources/Uses | (240,000) | (240,142) | 60,361 | (205,899) | (134,786) |



CITY OF VAN BUREN, 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 | \$ 5,920,837 | \$ 5,453,776 | \$ 4,546,905 | \$ 3,944,567 | \$ 3,070,797 |
| Total Liabilities | 15,762 | 32,207 | 107,707 | 34,961 | 30,777 |
| Total Fund Balances | 5,905,075 | 5,421,569 | 4,439,198 | 3,909,606 | 3,040,020 |
| Total Revenues | 2,647,087 | 2,600,658 | 2,415,727 | 2,253,478 | 2,166,665 |
| Total Expenditures | 2,163,581 | 1,618,287 | 1,886,135 | 1,383,892 | 1,415,529 |
| Total Other Financing Sources/Uses | | | | | |



CITY OF VAN BUREN, 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 | \$ 1,262,736 | \$ 4,142,454 | \$ 2,773,296 | \$ 294,860 | \$ 376,235 |
| Total Liabilities | 257,278 | 244,383 | 199,149 | 193,201 | 259,766 |
| Total Fund Balances | 1,005,458 | 3,898,071 | 2,574,147 | 101,659 | 116,469 |
| Total Revenues | 165,065 | 2,519,112 | 2,476,172 | 19,417 | 687,530 |
| Total Expenditures | 2,757,678 | 991,188 | 3,684 | 126 | 2,600,911 |
| Total Other Financing Sources/Uses | (300,000) | (204,000) | | (34,101) | |

