

City of Waldron, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WALDRON, ARKANSAS
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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 Waldron, 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 Waldron, 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 years 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 Waldron, 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 years 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 Waldron, 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 years then ended.

Basis for Opinions

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

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

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

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

Emphases of Matter

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

As discussed in Note 1 to the financial statements, the City would have included another fund 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, this fund is 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 8, 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 8, 2024
LOM109023

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 Waldron, 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 Waldron, 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 8, 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

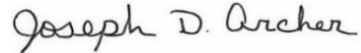
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 8, 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 8, 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 Waldron, 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: David Millard
Finance Director: Amanda Falconer (resigned March 11, 2022, position eliminated)
Clerk/Treasurer: Amanda Stafford (appointed September 12, 2023)
Brad Dick (appointed March 18, 2022, resigned September 12, 2023)
Jasie Atnip (resigned March 18, 2022)
District Court Clerk: DesiRae Hall
Police Chief: Jeremy Hunt

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 8, 2024

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 467,162	\$ 122,383	\$ 1,629,666
Investments			225,173
Accounts receivable	144,997		56,051
TOTAL ASSETS	\$ 612,159	\$ 122,383	\$ 1,910,890
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 41,426	\$ 7,096	\$ 34,874
Settlements pending			3,168
Total Liabilities	41,426	7,096	38,042
Fund Balances:			
Restricted	4,631	115,287	1,588,541
Committed			96,478
Assigned			187,829
Unassigned	566,102		
Total Fund Balances	570,733	115,287	1,872,848
TOTAL LIABILITIES AND FUND BALANCES	\$ 612,159	\$ 122,383	\$ 1,910,890

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

CITY OF WALDRON, 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	\$ 71,273	\$ 285,631	\$ 2,649
Federal aid	3,000		74,843
Property taxes	160,547	50	
Franchise fees	183,251		
Sales taxes	684,672		450,347
Fines, forfeitures, and costs	115,271		9,025
Interest	622	282	69,256
Local permits and fees	4,051		
Sanitation fees			224,110
Insurance proceeds		59,500	
Net increase/(decrease) in fair value of investments			16,301
Other	38,519	291	19,734
	<u>1,261,206</u>	<u>345,754</u>	<u>866,265</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	380,562		4,857
Law enforcement	864,513		55,056
Highways and streets	17,809	305,111	
Public safety	52,994		111,367
Sanitation			533,630
Recreation and culture	41,022		
Social services	5,708		
Airport	1,485		
Wastewater			30,608
Water			315,256
Total Current	<u>1,364,093</u>	<u>305,111</u>	<u>1,050,774</u>
Debt Service:			
Financed purchase principal			12,897
Financed purchase interest			275
	<u>1,364,093</u>	<u>305,111</u>	<u>1,063,946</u>
TOTAL EXPENDITURES			

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

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (102,887)</u>	<u>\$ 40,643</u>	<u>\$ (197,681)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	60,000		6,000
Transfers out	(6,000)		(60,000)
Contribution to water department	<u>(35,227)</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>18,773</u>		<u>(54,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(84,114)	40,643	(251,681)
FUND BALANCES - JANUARY 1	<u>654,847</u>	<u>74,644</u>	<u>2,124,529</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 570,733</u></u>	<u><u>\$ 115,287</u></u>	<u><u>\$ 1,872,848</u></u>

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

CITY OF WALDRON, 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	\$ 179,095	\$ 71,273	\$ (107,822)	\$ 295,000	\$ 285,631	\$ (9,369)
Federal aid	50,000	3,000	(47,000)			
Property taxes	145,000	160,547	15,547		50	50
Franchise fees	175,000	183,251	8,251			
Sales taxes	600,000	684,672	84,672			
Fines, forfeitures, and costs	60,800	115,271	54,471			
Interest	154	622	468	255	282	27
Local permits and fees	2,900	4,051	1,151			
Insurance proceeds					59,500	59,500
Other	45,800	38,519	(7,281)	100	291	191
TOTAL REVENUES	1,258,749	1,261,206	2,457	295,355	345,754	50,399
EXPENDITURES						
Current:						
General government	1,102,011	380,562	721,449			
Law enforcement	914,482	864,513	49,969			
Highways and streets		17,809	(17,809)	373,266	305,111	68,155
Public safety	43,670	52,994	(9,324)			
Recreation and culture	1,500	41,022	(39,522)			
Social services		5,708	(5,708)			
Community development	5,500		5,500			
Airport	5,950	1,485	4,465			
TOTAL EXPENDITURES	2,073,113	1,364,093	709,020	373,266	305,111	68,155
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(814,364)	(102,887)	711,477	(77,911)	40,643	118,554
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	60,000	(40,000)			
Transfers out		(6,000)	(6,000)			
Contribution to water department		(35,227)	(35,227)			
TOTAL OTHER FINANCING SOURCES (USES)	100,000	18,773	(81,227)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(714,364)	(84,114)	630,250	(77,911)	40,643	118,554
FUND BALANCES - JANUARY 1	547,339	654,847	107,508	82,054	74,644	(7,410)
FUND BALANCES - DECEMBER 31	\$ (167,025)	\$ 570,733	\$ 737,758	\$ 4,143	\$ 115,287	\$ 111,144

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

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

Exhibit A-1

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 552,148	\$ 82,073	\$ 1,915,198
Investments			207,783
Accounts receivable	161,194		58,677
TOTAL ASSETS	<u>\$ 713,342</u>	<u>\$ 82,073</u>	<u>\$ 2,181,658</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 58,495	\$ 7,429	\$ 53,964
Settlements pending			3,165
Total Liabilities	<u>58,495</u>	<u>7,429</u>	<u>57,129</u>
Fund Balances:			
Restricted	4,558	74,644	1,906,234
Committed			79,125
Assigned			139,170
Unassigned	650,289		
Total Fund Balances	<u>654,847</u>	<u>74,644</u>	<u>2,124,529</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 713,342</u>	<u>\$ 82,073</u>	<u>\$ 2,181,658</u>

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

CITY OF WALDRON, 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	\$ 154,322	\$ 292,336	\$ 2,585
Federal aid			370,512
Property taxes	145,313	22	
Franchise fees	194,868		
Sales taxes	646,505		976,847
Fines, forfeitures, and costs	87,200		8,973
Interest	177	255	28,591
Local permits and fees	1,621		
Sanitation fees			236,686
Net increase/(decrease) in fair value of investments			(47,097)
Other	52,754	2,230	10,537
TOTAL REVENUES	1,282,760	294,843	1,587,634
EXPENDITURES			
Current:			
General government	303,580		
Law enforcement	996,698		28,727
Highways and streets	588	332,595	
Public safety	46,593		150,266
Sanitation	465		834,044
Recreation and culture	1,798		
Social services	9,665		
Airport	11,718		
Wastewater			34,035
Water			294,117
Total Current	1,371,105	332,595	1,341,189
Debt Service:			
Bond principal			605,000
Bond interest and other charges			12,261
Financed purchases principal	15,814		12,383
Financed purchases interest	532		867
TOTAL EXPENDITURES	1,387,451	332,595	1,971,700

CITY OF WALDRON, 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	\$ (104,691)	\$ (37,752)	\$ (384,066)
OTHER FINANCING SOURCES (USES)			
Transfers in	393,945		30,181
Transfers out	(30,181)		(393,945)
Contribution from water department	150,000		
TOTAL OTHER FINANCING SOURCES (USES)	513,764		(363,764)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	409,073	(37,752)	(747,830)
FUND BALANCES - JANUARY 1	245,774	112,396	2,872,359
FUND BALANCES - DECEMBER 31	\$ 654,847	\$ 74,644	\$ 2,124,529

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

CITY OF WALDRON, 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	\$ 458,181	\$ 154,322	\$ (303,859)	\$ 300,000	\$ 292,336	\$ (7,664)
Federal aid	50,000		(50,000)			
Property taxes	148,000	145,313	(2,687)		22	22
Franchise fees	165,000	194,868	29,868			
Sales taxes	640,000	646,505	6,505			
Fines, forfeitures, and costs	87,300	87,200	(100)			
Interest	140	177	37	300	255	(45)
Local permits and fees	870	1,621	751			
Other	46,800	52,754	5,954	100	2,230	2,130
TOTAL REVENUES	1,596,291	1,282,760	(313,531)	300,400	294,843	(5,557)
EXPENDITURES						
Current:						
General government	316,550	303,580	12,970			
Law enforcement	999,495	996,698	2,797			
Highways and streets		588	(588)	333,869	332,595	1,274
Public safety	61,700	46,593	15,107			
Sanitation		465	(465)			
Recreation and culture	10,500	1,798	8,702			
Social services		9,665	(9,665)			
Community development	15,110		15,110			
Airport	3,700	11,718	(8,018)			
Total Current	1,407,055	1,371,105	35,950	333,869	332,595	1,274
Debt Service:						
Financed purchases principal		15,814	(15,814)			
Financed purchases interest		532	(532)			
TOTAL EXPENDITURES	1,407,055	1,387,451	19,604	333,869	332,595	1,274

CITY OF WALDRON, 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	\$ 189,236	\$ (104,691)	\$ (293,927)	\$ (33,469)	\$ (37,752)	\$ (4,283)
OTHER FINANCING SOURCES (USES)						
Transfers in	80,000	393,945	313,945			
Transfers out		(30,181)	(30,181)			
Contribution from water department		150,000	150,000			
TOTAL OTHER FINANCING SOURCES (USES)	80,000	513,764	433,764			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	269,236	409,073	139,837	(33,469)	(37,752)	(4,283)
FUND BALANCES - JANUARY 1	85,551	245,774	160,223	121,080	112,396	(8,684)
FUND BALANCES - DECEMBER 31	\$ 354,787	\$ 654,847	\$ 300,060	\$ 87,611	\$ 74,644	\$ (12,967)

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Waldron was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following funds of the City would have been included in the reporting entity: Water and Sewer Department. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is 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 that is restricted or committed for maintaining and constructing highways and streets.

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

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

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

Debt Service Funds - 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 through 4 for the Debt Service Fund reported with other funds in the aggregate.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Pension Trust Funds – 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 through 4 for the Pension Trust Fund 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 Schedules 1 and 3 for Custodial Funds as reported with other funds in the aggregate.

C. Basis of Accounting - Regulatory

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

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

Settlements Pending

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

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

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 WALDRON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 at December 31, 2023, is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 418,461	\$ 418,461
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	521,878	521,878
Uncollateralized	1,278,091	1,319,060
Total Deposits	\$ 2,218,430	\$ 2,259,399

The above total deposits do not include cash on hand of \$781.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2023, the City had \$1,319,060 of uninsured, uncollateralized bank deposits that were exposed to custodial credit risk. \$1,107,046 of the uncollateralized amount was deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized. \$212,014 of the uncollateralized amount was deposited in City accounts which were not insured or collateralized.

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 380,947	\$ 389,891
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	757,820	765,726
Uncollateralized	1,409,771	1,451,363
Total Deposits	\$ 2,548,538	\$ 2,606,980

The above total deposits do not include cash on hand of \$881.

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

NOTE 2: Cash Deposits with Financial Institutions (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2022, the City had \$1,451,363 of uninsured, uncollateralized bank deposits that were exposed to custodial credit risk. \$1,409,771 of the uncollateralized amount was deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized. \$41,592 of the uncollateralized amount was deposited in City accounts which were not 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.

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>	<u>December 31, 2022</u> <u>Fair Value</u>
Pension Trust	\$ 225,173	\$ 207,783

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.)

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

NOTE 4: Public Fund Investments (Continued)

The City's investments are composed of the following:

<u>December 31, 2023</u>	Quoted Prices in Active Markets for Identical Investments Level I
<u>Investment Type</u>	<u>Level I</u>
Mutual funds	\$ <u>225,173</u>

<u>December 31, 2022</u>	Quoted Prices in Active Markets for Identical Investments Level I
<u>Investment Type</u>	<u>Level I</u>
Mutual funds	\$ <u>207,783</u>

The fair value of mutual funds is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources.

NOTE 5: Accounts Receivable

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

<u>Description</u>	<u>General Fund</u>	<u>Other Funds in the Aggregate</u>
State aid	\$ 2,158	
Property taxes	26,313	
Franchise fees	32,694	
Sales taxes	58,768	\$ 39,232
Fines, forfeitures, and costs	8,886	
Local permits and fees	71	
Sanitation fees		16,469
Other	<u>16,107</u>	<u>350</u>
Totals	<u>\$ 144,997</u>	<u>\$ 56,051</u>

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

NOTE 5: Accounts Receivable (Continued)

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

Description	General Fund	Other Funds in the Aggregate
State aid	\$ 34,404	
Property taxes	15,238	
Franchise fees	42,268	
Sales taxes	54,979	\$ 36,393
Fines, forfeitures, and costs	6,656	
Local permits and fees	40	
Sanitation fees		21,844
Other	7,609	440
Totals	<u>\$ 161,194</u>	<u>\$ 58,677</u>

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	<u>\$ 41,426</u>	<u>\$ 7,096</u>	<u>\$ 34,874</u>

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 58,495</u>	<u>\$ 7,429</u>	<u>\$ 53,964</u>

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

NOTE 7: 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			\$ 178,046
Law enforcement	\$ 4,631		84,791
Highways and streets		\$ 115,287	
Recreation and culture			1
Pension benefits			233,403
Capital outlay			1,087,056
Debt service			5,244
Total Restricted	<u>4,631</u>	<u>115,287</u>	<u>1,588,541</u>
Committed for:			
Sanitation			<u>96,478</u>
Assigned to:			
Law enforcement			13,728
Sanitation			174,101
Total Assigned			<u>187,829</u>
Unassigned	<u>566,102</u>		
Totals	<u>\$ 570,733</u>	<u>\$ 115,287</u>	<u>\$ 1,872,848</u>

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

NOTE 7: 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			\$ 244,765
Law enforcement	\$ 4,558		62,668
Highways and streets		\$ 74,644	
Recreation and culture			1
Pension benefits			219,222
Capital outlay			1,374,567
Debt service			5,011
Total Restricted	<u>4,558</u>	<u>74,644</u>	<u>1,906,234</u>
Committed for:			
Sanitation			<u>79,125</u>
Assigned to:			
Law enforcement			13,728
Public safety			10,453
Sanitation			114,989
Total Assigned			<u>139,170</u>
Unassigned	<u>650,289</u>		
Totals	<u>\$ 654,847</u>	<u>\$ 74,644</u>	<u>\$ 2,124,529</u>

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023 and December 31, 2022, the legal debt limit for the bonded debt was \$6,271,703 and \$6,064,926, 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 December 31, 2022, the legal debt limit for short-term financing obligations was \$1,707,531 and \$1,679,071, respectively. There were no short-term financing obligations at December 31, 2023. The amount of short-term financing obligations as of December 31, 2022, was \$12,897, leaving a legal debt margin of \$1,666,174.

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

NOTE 9: Commitments

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

	December 31, 2023	December 31, 2022
Long-term liabilities	\$ 119,251	\$ 150,905
Leases	422,771	463,960
 Total Commitments	 \$ 542,022	 \$ 614,865

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 Borrowing</u>		
Financed purchase, dated February 25, 2019, with Arvest Bank, in the amount of \$60,000, for the purchase of a 2010 International Sanitation Truck. Interest rate of 3.97%. 60 monthly payments of \$1,104 beginning March 25, 2019. Payments are to be made from the Sanitation Fund.		\$ 12,897
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	\$ 119,251	138,008
 Total Long-term liabilities	 \$ 119,251	 \$ 150,905

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

The City's outstanding direct borrowings of \$12,897 as of December 31, 2022, contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Compensated Absences

Compensated absences do vest or accumulate.

Long-Term Debt Issued and Outstanding

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>					
2/25/19	2/25/24	3.97%	\$ 60,000	\$ 12,897	\$ 47,103

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

NOTE 9: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
<u>Direct Borrowings</u>				
Financed purchase	\$ 12,897	\$ 0	\$ 12,897	\$ 0
	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 605,000	\$ 0	\$ 605,000	\$ 0
<u>Direct Borrowings</u>				
Financed purchase	41,094 *	0	28,197	12,897
 Total Long-Term Debt	\$ 646,094	\$ 0	\$ 633,197	\$ 12,897

*Beginning balance was reduced by \$2,185 due to additional principal payments not reflected in prior reports.

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2023	\$ 12,897	\$ 275	\$ 13,172

Leases

The City entered into a lease agreement for a Peterbilt 567 Straight Truck on March 16, 2021. Terms of the lease are monthly rental payments of \$3,499 for 60 months. At the end of the lease term, the City has the option to purchase the item of equipment by paying the purchase option price or return the equipment.

The City entered into a lease agreement for a Rosenbauer Pumper Truck on August 22, 2022. Terms of the lease are monthly rental payments of \$2,700 for 120 months. At the end of the lease term, the City may choose to purchase the item of equipment by paying the purchase option price plus any other charges due or return the equipment.

Year	December 31, 2023	December 31, 2022
2023		\$ 44,688
2024	\$ 74,388	74,388
2025	74,388	74,388
2026	49,895	46,396
2027	32,400	32,400
2028-2032	162,000	162,000
2033	29,700	29,700
Totals	\$ 422,771	\$ 463,960

Lease expense for 2023 and 2022, was \$40,805 and \$48,986, respectively.

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

NOTE 10: Interfund Transfers

In 2023, the General Fund transferred \$6,000 to the Other Funds in the Aggregate (the Firemen's Pension and Relief Trust Fund) to supplement retirement costs. The Other Funds in the Aggregate (Sanitation Fund) transferred \$60,000 to the General Fund to move a portion of sanitation fees.

In 2022, the General Fund transferred \$30,181 to the Other Funds in the Aggregate. Of this amount, \$6,000 was transferred to the Firemen's Pension and Relief Trust Fund to supplement retirement costs, and \$24,181 was transferred to the Rural Development Grant Fund to fulfill a federal grant requirement. Other Funds in the Aggregate transferred \$393,945 to the General Fund. Of this amount \$60,000 was transferred from the Sanitation Fund to move a portion of sanitation fees, and \$333,945 was transferred from the Sales and Use Tax Bond, Series 2016 Debt Service Fund to move excess funds collected due to pay off of bonds.

NOTE 11: Pledged Revenues

The City pledged future 1% sales and use taxes to repay \$2,975,000 in bonds that were issued in 2016 to provide funding for water, sewer, and street improvements. The bonds were paid off in 2022, principal and interest paid were \$605,000 and \$6,813, respectively.

The Debt Service Fund received \$534,816 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

NOTE 12: Joint Ventures

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.

Fifteenth Judicial District Drug Task Force

The Prosecuting Attorney of the Fifteenth Judicial District, the Sheriff's Department of Yell, Conway, Scott, and Logan Counties, and the Police Departments of Paris, Booneville, Magazine, Waldron, Plainview, Ola, Dardanelle, Danville, Morrilton, Oppelo, Menifee, Mansfield, and Plumerville entered into an agreement to establish the Fifteenth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fifteenth Judicial District. The city did not provide any funding to the Fifteenth Judicial District Drug Task Force. Financial statements of the Fifteenth Judicial District Drug Task Force are not available.

NOTE 13: Interlocal Agreement

Sebastian County Regional Crisis Stabilization Unit

The City entered into an interlocal agreement dated August 14, 2018, with 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 treatment they need, as determined by the medical service provider who is trained to recognize and treat behavior-health issues. This 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 on 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 government entity participating in the program, after consideration of grant funding and allowable insurance reimbursements.

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

NOTE 13: Interlocal Agreement (Continued)

The cost sharing agreement will be based on 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 the stay. Sebastian County will 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.

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.

Municipal Vehicle Program

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

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

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

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

NOTE 14: Risk Management (Continued)

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

NOTE 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.

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. 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 \$6,000 and \$6,000 for the years ended December 31, 2023 and 2022, respectively. 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 and December 31, 2022, actuarial valuations, the plan has a net pension asset of \$97,843 and \$64,839, respectively.

Deferred Retirement Option Plan

The local firemen's pension and relief board of trustees approved the participation in the Arkansas Fire Fighter's Deferred Retirement Option Plan (DROP). Any full-paid fire fighter who is a member of the firemen's pension and relief fund who has at least 20 years of credited service and who is eligible to receive a service retirement pension may elect to participate in the plan. The duration of participation shall not exceed 5 years, except in certain circumstances as allowed by law.

When a member begins participation in the DROP, the contribution of the fire fighter and the employer contribution shall continue to be paid. Municipal matching contributions for employees who elect the DROP shall be credited equally to the firemen's pension and relief fund and to the deferred retirement plan. The monthly retirement benefits that would have been due had the member elected to cease employment and receive a service retirement shall be paid into the DROP account.

At the end of the five years, the participant has certain options regarding the method of payment.

At the conclusion of the member's participation, the member shall terminate employment with all participating municipalities as a fire fighter and start receiving the member's accrued monthly retirement benefit from the firemen's pension and relief fund.

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

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

Plan Description

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

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 \$40,196 and \$41,480 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$48,681 and \$48,258 for the years ended December 31, 2023 and 2022, respectively.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2023 and 2022, (actuarial valuation date and measurement date) was \$902,406 and \$1,082,488, respectively.

NOTE 17: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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 and 2022, (date of APERS Employer Allocation Report) was \$145,619 and \$143,989, respectively.

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

NOTE 17: Arkansas Public Employees Retirement System (Continued)

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 2022, (actuarial valuation date and measurement date) was \$1,249,757 and \$1,212,402, respectively.

NOTE 18: 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 \$699,028 in federal aid from the American Rescue Plan Act of 2021, , and as of the report date, \$699,028 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 WALDRON, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	District Court Automation	Drug Control	Sanitation	Arkansas Economic Development Community Grant	American Rescue Plan Act	Rural Development Grant	Sales and Use Tax Bonds, Series 2016 Capital Projects	Sales and Use Tax Bonds, Series 2016 Debt Service
ASSETS								
Cash and cash equivalents	\$ 58,881	\$ 24,170	\$ 234,656	\$ 1	\$ 178,046	\$ 15,468	\$ 1,101,802	\$ 5,244
Investments								
Accounts receivable			56,051					
TOTAL ASSETS	<u>\$ 58,881</u>	<u>\$ 24,170</u>	<u>\$ 290,707</u>	<u>\$ 1</u>	<u>\$ 178,046</u>	<u>\$ 15,468</u>	<u>\$ 1,101,802</u>	<u>\$ 5,244</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 20,128				\$ 14,746	
Settlements pending								
Total Liabilities			<u>20,128</u>				<u>14,746</u>	
Fund Balances:								
Restricted	\$ 58,881	\$ 24,170		\$ 1	\$ 178,046	\$ 1,740	1,087,056	\$ 5,244
Committed			96,478					
Assigned			174,101			13,728		
Total Fund Balances	<u>58,881</u>	<u>24,170</u>	<u>270,579</u>	<u>1</u>	<u>178,046</u>	<u>15,468</u>	<u>1,087,056</u>	<u>5,244</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 58,881</u>	<u>\$ 24,170</u>	<u>\$ 290,707</u>	<u>\$ 1</u>	<u>\$ 178,046</u>	<u>\$ 15,468</u>	<u>\$ 1,101,802</u>	<u>\$ 5,244</u>

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

Schedule 1

	<u>TRUST FUND</u>	<u>CUSTODIAL FUNDS</u>		
	Firemen's Pension and Relief	Administration of Justice	Payroll	Totals
ASSETS				
Cash and cash equivalents	\$ 8,230	\$ 153	\$ 3,015	\$ 1,629,666
Investments	225,173			225,173
Accounts receivable				56,051
TOTAL ASSETS	<u>\$ 233,403</u>	<u>\$ 153</u>	<u>\$ 3,015</u>	<u>\$ 1,910,890</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable				\$ 34,874
Settlements pending		\$ 153	\$ 3,015	3,168
Total Liabilities		<u>153</u>	<u>3,015</u>	<u>38,042</u>
Fund Balances:				
Restricted	\$ 233,403			1,588,541
Committed				96,478
Assigned				187,829
Total Fund Balances	<u>233,403</u>			<u>1,872,848</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 233,403</u>	<u>\$ 153</u>	<u>\$ 3,015</u>	<u>\$ 1,910,890</u>

CITY OF WALDRON, 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						CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TRUST FUNDS	Totals
	District Court Automation	Drug Control	Sanitation	Arkansas Economic Development Community Grant	American Rescue Plan Act	Rural Development Grant	Sales and Use Tax Bonds, Series 2016 Capital Projects	Sales and Use Tax Bonds, Series 2016 Debt Service	Firemen's Pension and Relief	
REVENUES										
State aid								\$ 2,649	\$ 2,649	
Federal aid				\$ 4,857		\$ 69,986			74,843	
Sales taxes			\$ 450,347						450,347	
Fines, forfeitures, and costs	\$ 9,025								9,025	
Interest	55		479		\$ 1,391		\$ 58,353	\$ 233	69,256	
Sanitation fees			224,110						224,110	
Net increase/(decrease) in fair value of investments									16,301	
Other		\$ 11,403	8,331						19,734	
TOTAL REVENUES	9,080	11,403	683,267	4,857	1,391	69,986	58,353	233	27,695	866,265
EXPENDITURES										
Current:										
General government				4,857					4,857	
Law enforcement		100			17,710	37,246			55,056	
Public safety					50,400	41,453			111,367	
Sanitation			533,630						533,630	
Wastewater							30,608		30,608	
Water							315,256		315,256	
Total Current		100	533,630	4,857	68,110	78,699	345,864		1,050,774	
Debt Service:										
Financed purchase principal			12,897						12,897	
Financed purchase interest			275						275	
TOTAL EXPENDITURES		100	546,802	4,857	68,110	78,699	345,864		1,063,946	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,080	11,303	136,465		(66,719)	(8,713)	(287,511)	233	8,181	(197,681)
OTHER FINANCING SOURCES (USES)										
Transfers in									6,000	
Transfers out			(60,000)						(60,000)	
TOTAL OTHER FINANCING SOURCES (USES)			(60,000)						6,000	(54,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,080	11,303	76,465		(66,719)	(8,713)	(287,511)	233	14,181	(251,681)
FUND BALANCES - JANUARY 1	49,801	12,867	194,114	1	244,765	24,181	1,374,567	5,011	219,222	2,124,529
FUND BALANCES - DECEMBER 31	\$ 58,881	\$ 24,170	\$ 270,579	\$ 1	\$ 178,046	\$ 15,468	\$ 1,087,056	\$ 5,244	\$ 233,403	\$ 1,872,848

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

Schedule 3

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	District Court Automation	Drug Control	Sanitation	Arkansas Economic Development Community Grant	American Rescue Plan Act	Rural Development Grant	Sales and Use Tax Bonds, Series 2016 Capital Projects	Sales and Use Tax Bonds, Series 2016 Debt Service
ASSETS								
Cash and cash equivalents	\$ 49,801	\$ 12,867	\$ 159,208	\$ 1	\$ 244,765	\$ 24,181	\$ 1,404,760	\$ 5,011
Investments								
Accounts receivable			58,677					
TOTAL ASSETS	\$ 49,801	\$ 12,867	\$ 217,885	\$ 1	\$ 244,765	\$ 24,181	\$ 1,404,760	\$ 5,011
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 23,771				\$ 30,193	
Settlements pending								
Total Liabilities			23,771				30,193	
Fund Balances:								
Restricted	\$ 49,801	\$ 12,867		\$ 1	\$ 244,765		1,374,567	\$ 5,011
Committed			79,125					
Assigned			114,989			\$ 24,181		
Total Fund Balances	49,801	12,867	194,114	1	244,765	24,181	1,374,567	5,011
TOTAL LIABILITIES AND FUND BALANCES	\$ 49,801	\$ 12,867	\$ 217,885	\$ 1	\$ 244,765	\$ 24,181	\$ 1,404,760	\$ 5,011

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

Schedule 3

	<u>TRUST FUND</u>	<u>CUSTODIAL FUNDS</u>		
	Firemen's Pension and Relief	Administration of Justice	Payroll	Totals
ASSETS				
Cash and cash equivalents	\$ 11,439	\$ 141	\$ 3,024	\$ 1,915,198
Investments	207,783			207,783
Accounts receivable				58,677
TOTAL ASSETS	<u>\$ 219,222</u>	<u>\$ 141</u>	<u>\$ 3,024</u>	<u>\$ 2,181,658</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable				\$ 53,964
Settlements pending		\$ 141	\$ 3,024	3,165
Total Liabilities		<u>141</u>	<u>3,024</u>	<u>57,129</u>
Fund Balances:				
Restricted	\$ 219,222			1,906,234
Committed				79,125
Assigned				139,170
Total Fund Balances	<u>219,222</u>			<u>2,124,529</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 219,222</u>	<u>\$ 141</u>	<u>\$ 3,024</u>	<u>\$ 2,181,658</u>

CITY OF WALDRON, 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					CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TRUST FUND	Totals	
	District Court Automation	Drug Control	Sanitation	Arkansas Economic Development Community Grant	American Rescue Plan Act	Rural Development Grant	Sales and Use Tax Bonds, Series 2016 Capital Projects	Sales and Use Tax Bonds, Series 2016 Debt Service		Firemen's Pension and Relief
REVENUES										
State aid								\$ 2,585	\$ 2,585	
Federal aid					\$ 349,512	\$ 21,000			370,512	
Sales taxes			\$ 442,031				\$ 534,816		976,847	
Fines, forfeitures, and costs	\$ 8,973								8,973	
Interest	29		149		1,081		\$ 14,424	575	12,333	
Sanitation fees			236,686						236,686	
Net increase/(decrease) in fair value of investments								(47,097)	(47,097)	
Other		\$ 1,296	9,241						10,537	
TOTAL REVENUES	9,002	1,296	688,107		350,593	21,000	14,424	535,391	(32,179)	1,587,634
EXPENDITURES										
Current:										
Law enforcement		90			28,637				28,727	
Public safety					100,758	28,292			150,266	
Sanitation			601,899		232,145				834,044	
Wastewater							34,035		34,035	
Water					94,195		199,922		294,117	
Total Current		90	601,899		455,735	28,292	233,957		1,341,189	
Debt Service:										
Bond principal								605,000	605,000	
Bond interest and other charges								12,261	12,261	
Financed purchases principal			12,383						12,383	
Financed purchases interest			867						867	
TOTAL EXPENDITURES		90	615,149		455,735	28,292	233,957	617,261	21,216	1,971,700
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,002	1,206	72,958		(105,142)	(7,292)	(219,533)	(81,870)	(53,395)	(384,066)
OTHER FINANCING SOURCES (USES)										
Transfers in						24,181			6,000	30,181
Transfers out			(60,000)					(333,945)		(393,945)
TOTAL OTHER FINANCING SOURCES (USES)			(60,000)			24,181		(333,945)	6,000	(363,764)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,002	1,206	12,958		(105,142)	16,889	(219,533)	(415,815)	(47,395)	(747,830)
FUND BALANCES - JANUARY 1	40,799	11,661	181,156	\$ 1	349,907	7,292	1,594,100	420,826	266,617	2,872,359
FUND BALANCES - DECEMBER 31	\$ 49,801	\$ 12,867	\$ 194,114	\$ 1	\$ 244,765	\$ 24,181	\$ 1,374,567	\$ 5,011	\$ 219,222	\$ 2,124,529

CITY OF WALDRON, 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>
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.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Sanitation	A special election on September 11, 2001, established fund to receive a one percent county-wide sales and use tax for solid waste purposes.
Arkansas Economic Development Community Grant	Established to account for grants from the Arkansas Department of Economic Development Commission.
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.
Rural Development Grant	The City of Waldron established fund to account for rural development grants.
Sales and Use Tax Bonds, Series 2016 Capital Projects	Waldron Ordinance No. 2016-06 (October 4, 2016) established fund to account for water, sewer, and street projects funded by Sales and Use Tax Bonds dated November 15, 2016.
Sales and Use Tax Bonds, Series 2016 Debt Service	Waldron Ordinance No. 2016-06 (October 4, 2016) established fund to receive sales and use tax levied in 2016 and for the purpose of maintaining the bond reserve and payment of principal and interest/fess on the Sales and Use Tax Bonds dated November 15, 2016.
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.
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.
Payroll	The City of Waldron established fund to account for all payroll transactions of the City.

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

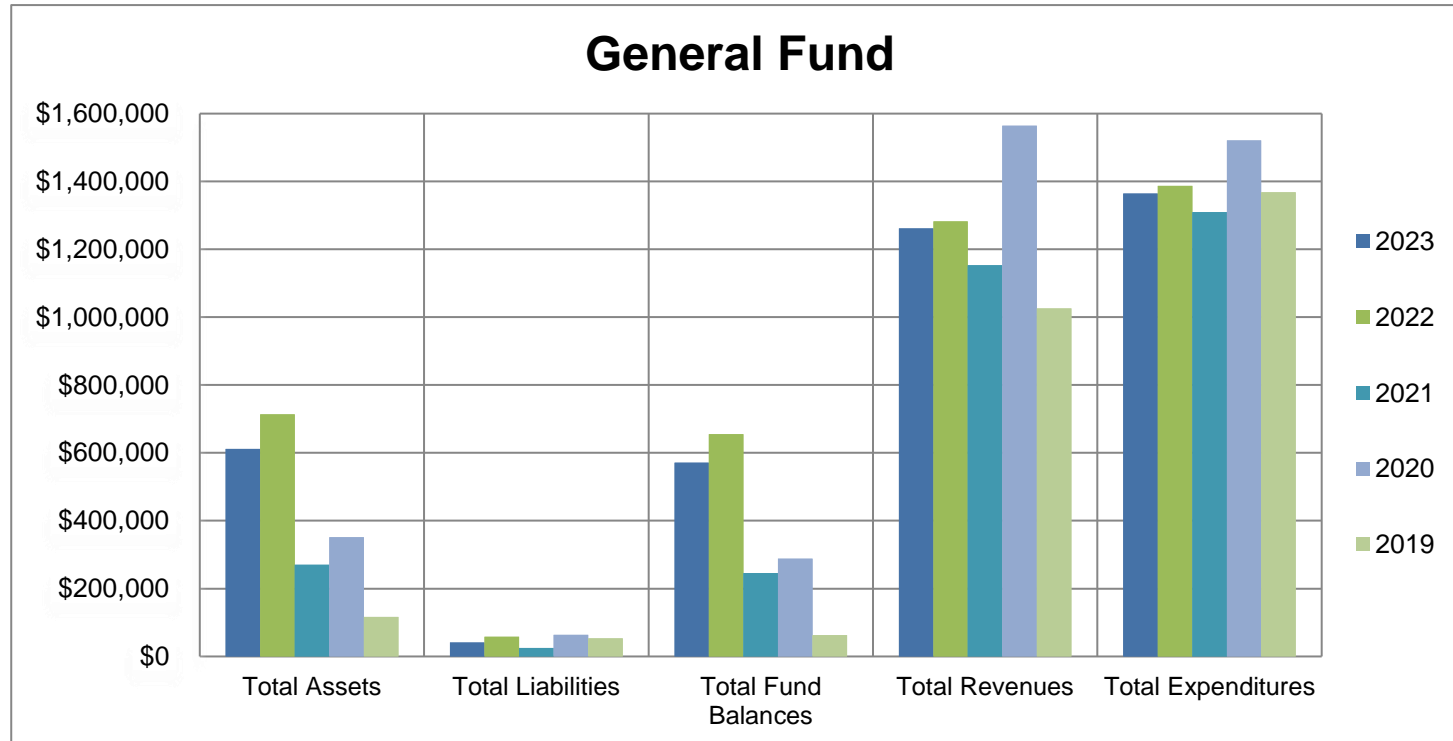
Schedule 5

	December 31, 2023	December 31, 2022
Land	\$ 272,308	\$ 272,308
Buildings	1,761,962	1,757,517
Equipment	3,178,443	3,067,684
Totals	\$ 5,212,713	\$ 5,097,509

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

Schedule 6-1

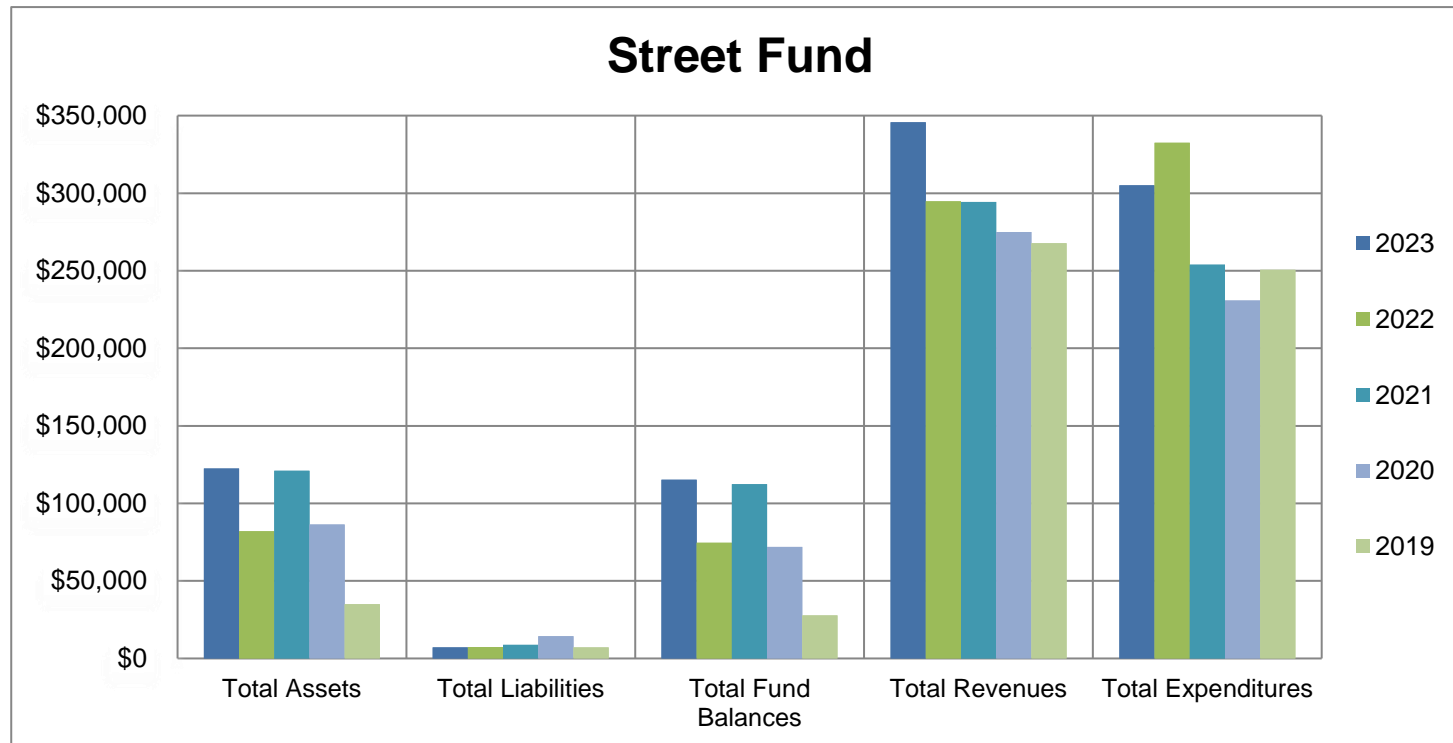
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 612,159	\$ 713,342	\$ 270,490	\$ 351,722	\$ 116,166
Total Liabilities	41,426	58,495	24,716	63,905	53,520
Total Fund Balances	570,733	654,847	245,774	287,817	62,646
Total Revenues	1,261,206	1,282,760	1,152,901	1,564,406	1,025,465
Total Expenditures	1,364,093	1,387,451	1,309,552	1,521,235	1,368,520
Total Other Financing Sources/Uses	18,773	513,764	114,608	182,000	179,850



CITY OF WALDRON, 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	\$ 122,383	\$ 82,073	\$ 121,107	\$ 86,389	\$ 34,970
Total Liabilities	7,096	7,429	8,711	14,384	7,122
Total Fund Balances	115,287	74,644	112,396	72,005	27,848
Total Revenues	345,754	294,843	294,320	275,013	267,654
Total Expenditures	305,111	332,595	253,929	230,856	250,618
Total Other Financing Sources/Uses					12,500



CITY OF WALDRON, 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	\$ 1,910,890	\$ 2,181,658	\$ 2,895,780	\$ 2,605,195	\$ 2,665,348
Total Liabilities	38,042	57,129	23,421	50,281	36,949
Total Fund Balances	1,872,848	2,124,529	2,872,359	2,554,914	2,628,399
Total Revenues	866,265	1,587,634	1,677,873	1,221,786	1,228,752
Total Expenditures	1,063,946	1,971,700	1,315,820	1,243,271	1,510,235
Total Other Financing Sources/Uses	(54,000)	(363,764)	(44,608)	(52,000)	(33,273)

