

City of Walnut Ridge, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WALNUT RIDGE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Walnut Ridge, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Walnut Ridge, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated March 3, 2025. These procedures were not performed for the Municipal Water and Sewer Works Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2023:

Mayor: Charles Snapp
Clerk/Treasurer: Sharon Henson
Police Chief: Jordan Cooksey

We evaluated the City's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, a matter came to our attention that would warrant disclosure in this report.

Other Matter

One unauthorized withdrawal totaling \$50,125 was made from the City's Airport bank account on October 10, 2023. Entity personnel discovered the unauthorized withdrawal upon review of the affected bank account, and the funds were recovered from the bank.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight 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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 3, 2025
LOM109123

CITY OF WALNUT RIDGE, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023
(UNAUDITED)

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 2,529,454	\$ 151,825	\$ 272,462
Accounts receivable	355,123		71,353
Interfund receivables	<u>382</u>		<u>161,695</u>
TOTAL ASSETS	<u>\$ 2,884,959</u>	<u>\$ 151,825</u>	<u>\$ 505,510</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 346,108	\$ 10,073	\$ 118,926
Interfund payables	162,077		
Total Liabilities	<u>508,185</u>	<u>10,073</u>	<u>118,926</u>
Fund Balances:			
Restricted		80,237	352,972
Assigned	25,180	61,515	33,612
Unassigned	<u>2,351,594</u>		
Total Fund Balances	<u>2,376,774</u>	<u>141,752</u>	<u>386,584</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,884,959</u>	<u>\$ 151,825</u>	<u>\$ 505,510</u>

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

CITY OF WALNUT RIDGE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 259,242	\$ 454,176	\$ 711,231
Federal aid			101,323
Property taxes		61,630	61,631
Franchise fees	440,542		
Sales taxes	3,037,847		179,122
Fines, forfeitures, and costs	42,753		9,925
Interest	86,477		7,140
Local permits and fees	227,008		
Sanitation fees	29,008		
Airport fees			978,411
Insurance proceeds			350,839
Other	139,966	3,629	76,916
	<u>4,262,843</u>	<u>519,435</u>	<u>2,476,538</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	468,713		
Law enforcement	623,380		54,099
Highways and streets	8,699	439,198	300,841
Public safety	2,390,951		183,436
Sanitation	387,993		
Health	96,978		
Recreation and culture	610,623		
Airport			2,413,267
	<u>4,587,337</u>	<u>439,198</u>	<u>2,951,643</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(324,494)</u>	<u>80,237</u>	<u>(475,105)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	37,190		70,000
Transfers out	(70,000)		(37,190)
Sales taxes remitted to water department	(643,092)		
	<u>(675,902)</u>		<u>32,810</u>
TOTAL OTHER FINANCING SOURCES (USES)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,000,396)	80,237	(442,295)
FUND BALANCES - JANUARY 1	<u>3,377,170</u>	<u>61,515</u>	<u>828,879</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,376,774</u>	<u>\$ 141,752</u>	<u>\$ 386,584</u>

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

CITY OF WALNUT RIDGE, 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
(UNAUDITED)

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 80,760	\$ 259,242	\$ 178,482	\$ 417,260	\$ 454,176	\$ 36,916
Property taxes				60,000	61,630	1,630
Franchise fees	375,795	440,542	64,747			
Sales taxes	2,025,484	3,037,847	1,012,363			
Fines, forfeitures, and costs	48,264	42,753	(5,511)			
Interest	25,000	86,477	61,477			
Local permits and fees	229,467	227,008	(2,459)			
Sanitation fees	19,488	29,008	9,520			
Other	116,306	139,966	23,660	1,500	3,629	2,129
TOTAL REVENUES	2,920,564	4,262,843	1,342,279	478,760	519,435	40,675
EXPENDITURES						
Current:						
General government	427,164	468,713	(41,549)			
Law enforcement	800,729	623,380	177,349			
Highways and streets		8,699	(8,699)	768,974	439,198	329,776
Public safety	2,244,240	2,390,951	(146,711)			
Sanitation	414,453	387,993	26,460			
Health	96,978	96,978	0			
Recreation and culture	614,939	610,623	4,316			
TOTAL EXPENDITURES	4,598,503	4,587,337	11,166	768,974	439,198	329,776
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,677,939)	(324,494)	1,353,445	(290,214)	80,237	370,451
OTHER FINANCING SOURCES (USES)						
Transfers in		37,190	37,190			
Transfers out	(350,001)	(70,000)	280,001			
Contribution to water department	(119,863)	(643,092)	(523,229)			
TOTAL OTHER FINANCING SOURCES (USES)	(469,864)	(675,902)	(206,038)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,147,803)	(1,000,396)	1,147,407	(290,214)	80,237	370,451
FUND BALANCES - JANUARY 1		3,377,170	3,377,170		61,515	61,515
FUND BALANCES - DECEMBER 31	\$ (2,147,803)	\$ 2,376,774	\$ 4,524,577	\$ (290,214)	\$ 141,752	\$ 431,966

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

CITY OF WALNUT RIDGE, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS						
	Fire Equipment and Training (Act 833)	Local Police and Fire Retirement (LOPFI)	Airport	District Court Automation	Asphalt Reserve	Totals
ASSETS						
Cash and cash equivalents	\$ 30,532	\$ 49,248	\$ 146,167	\$ 16,716	\$ 29,799	\$ 272,462
Accounts receivable			71,353			71,353
Interfund receivables					161,695	161,695
TOTAL ASSETS	\$ 30,532	\$ 49,248	\$ 217,520	\$ 16,716	\$ 191,494	\$ 505,510
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable		\$ 15,636	\$ 103,290			\$ 118,926
Fund Balances:						
Restricted	\$ 30,532		114,230	\$ 16,716	\$ 191,494	352,972
Assigned		33,612				33,612
Total Fund Balances	30,532	33,612	114,230	16,716	191,494	386,584
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,532	\$ 49,248	\$ 217,520	\$ 16,716	\$ 191,494	\$ 505,510

CITY OF WALNUTRIDGE, 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
 (UNAUDITED)

Schedule 2

SPECIAL REVENUE FUNDS

	Fire Equipment and Training (Act 833)	Local Police and Fire Retirement (LOPFI)	Airport	District Court Automation	Asphalt Reserve	USDA Grant 2021	Totals
REVENUES							
State aid	\$ 65,178		\$ 600,000			\$ 46,053	\$ 711,231
Federal aid			101,323				101,323
Property taxes		\$ 61,631					61,631
Sales taxes			20,385		\$ 158,737		179,122
Fines, forfeitures, and costs				\$ 9,925			9,925
Interest		3	3,574		3,551	12	7,140
Airport fees			978,411				978,411
Insurance proceeds			350,839				350,839
Other			76,916				76,916
TOTAL REVENUES	65,178	61,634	2,131,448	9,925	162,288	46,065	2,476,538
EXPENDITURES							
Current:							
Law enforcement				1,582		52,517	54,099
Highways and streets					300,841		300,841
Public safety	41,065	142,371					183,436
Airport			2,413,267				2,413,267
TOTAL EXPENDITURES	41,065	142,371	2,413,267	1,582	300,841	52,517	2,951,643
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,113	(80,737)	(281,819)	8,343	(138,553)	(6,452)	(475,105)
OTHER FINANCING SOURCES (USES)							
Transfers in		70,000					70,000
Transfers out						(37,190)	(37,190)
TOTAL OTHER FINANCING SOURCES (USES)		70,000				(37,190)	32,810
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	24,113	(10,737)	(281,819)	8,343	(138,553)	(43,642)	(442,295)
FUND BALANCES - JANUARY 1	6,419	44,349	396,049	8,373	330,047	43,642	828,879
FUND BALANCES - DECEMBER 31	<u>\$ 30,532</u>	<u>\$ 33,612</u>	<u>\$ 114,230</u>	<u>\$ 16,716</u>	<u>\$ 191,494</u>	<u>\$ 0</u>	<u>\$ 386,584</u>

CITY OF WALNUT RIDGE, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023
 (UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Airport	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
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.
Asphalt Reserve	Established by Ordinance no. 861-18 (January 15, 2018) to account for a portion of the .625% Sales and Use tax approved by voters to be used for water, sewer, sanitation, mosquito treatment, and street purposes.
USDA Grant 2021	Established account to hold funds received from United States Department of Agriculture to purchase and equip two new patrol vehicles for the police department.

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

1. **A. 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. The Special Revenue Funds presented on Schedules 1 and 2 are reported with other funds in the aggregate.

B. 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.

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

1. **B. Basis of Accounting – Regulatory (Continued)**

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.

C. 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.

Fund Balance Classifications

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

D. 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.

E. 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.

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

1. **E. Basis of Accounting – Regulatory (Continued)**

Basis of Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

2. **Details of Fund Balance Classifications**

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

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances:			
Restricted for:			
Law enforcement			\$ 16,716
Highways and streets		\$ 80,237	191,494
Public safety			30,532
Airport			114,230
Total Restricted		<u>80,237</u>	<u>352,972</u>
Assigned to:			
General government	\$ 25,180		
Highways and streets		61,515	
Police and fire retirement cost			33,612
Total Assigned	<u>25,180</u>	<u>61,515</u>	<u>33,612</u>
Unassigned	<u>2,351,594</u>		
Totals	<u>\$ 2,376,774</u>	<u>\$ 141,752</u>	<u>\$ 386,584</u>

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

3. Commitments

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

	December 31, 2023
Long-term liabilities	\$ 254,845
Construction contracts	642,400
 Total Commitments	 \$ 897,245

Long-term liabilities

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

	December 31, 2023
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 254,845

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

Construction Contracts

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

Project Name	Completion Date	Contract Balance December 31, 2023
Fire Station #3	March 6, 2024	\$ 262,689
Stewart Park Pool	May 15, 2024	14,503
Airport Runway 4-22 Lighting Rehab	July 31, 2024	365,208
 Total Construction Contracts		 \$ 642,400

4. Interfund Transfers

The General Fund transferred \$70,000 to the Other Funds in the Aggregate Local Police and Fire Retirement (LOPFI) Fund for retirement costs. The Other Funds in the Aggregate USDA Grant 2021 Fund transferred \$37,190 to the General Fund to return funds sent over in prior years.

5. Jointly Governed Organization – Third Judicial District Drug Task Force

The Prosecuting Attorney's Office of the Third Judicial District, the Sheriff's Departments of Jackson, Lawrence, Randolph, Sharp, and the Police Departments of Ash Flat, Cherokee Village, Highland, Newport, Pocahontas, and Walnut Ridge entered into an agreement to establish the Third Judicial District Drug Task Force. Funding is provided through a Drug Law Enforcement Program grant, applied for by the Prosecuting Attorney of the Third Judicial District. No contributions or payment for expenditures were made to the Third Judicial District Drug Task Force by the City. The financial statements of the Third Judicial District Drug Task Force have not been audited.

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

**6. 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 June 12, 2005, administration of the City of Walnut Ridge Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of this plan was not changed.

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$202,333 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$100,256 for the year ended December 31, 2023.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2023, (actuarial valuation date and measurement date) was \$1,851,797.

**7. Non-Uniformed Employee's Pension Plan
[A Defined Contribution Plan]**

The City contributes to a Simplified Employee Pension Plan (SEP-IRA), administered by Modern Woodmen Fraternal Financial, for all non-uniformed employees. All non-uniformed, regular, full-time employees are eligible to become members of the plan after meeting certain age and service requirements. Employer contributions are determined by a vote of the City Council and may vary; however, the City currently contributes 3% of participating employees' annual salaries to the plan. Employees do not make contributions to their SEP-IRA and are entitled only to the funds deposited on their behalf; there is no unfunded liability. Employees may make withdrawals without being penalized at the age of 59 ½. The City's contribution to the plan was \$1,233 for the year ended December 31, 2023.

CITY OF WALNUT RIDGE, ARKANSAS
 OTHER GENERAL INFORMATION
 DECEMBER 31, 2023
 (UNAUDITED)

8. 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 former Mayor Paul Rhoads \$2,750 for the year ended December 31, 2023.

9. Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurer Carolyn Hayes \$17,742 for the year ended December 31, 2023.

10. Capital Assets

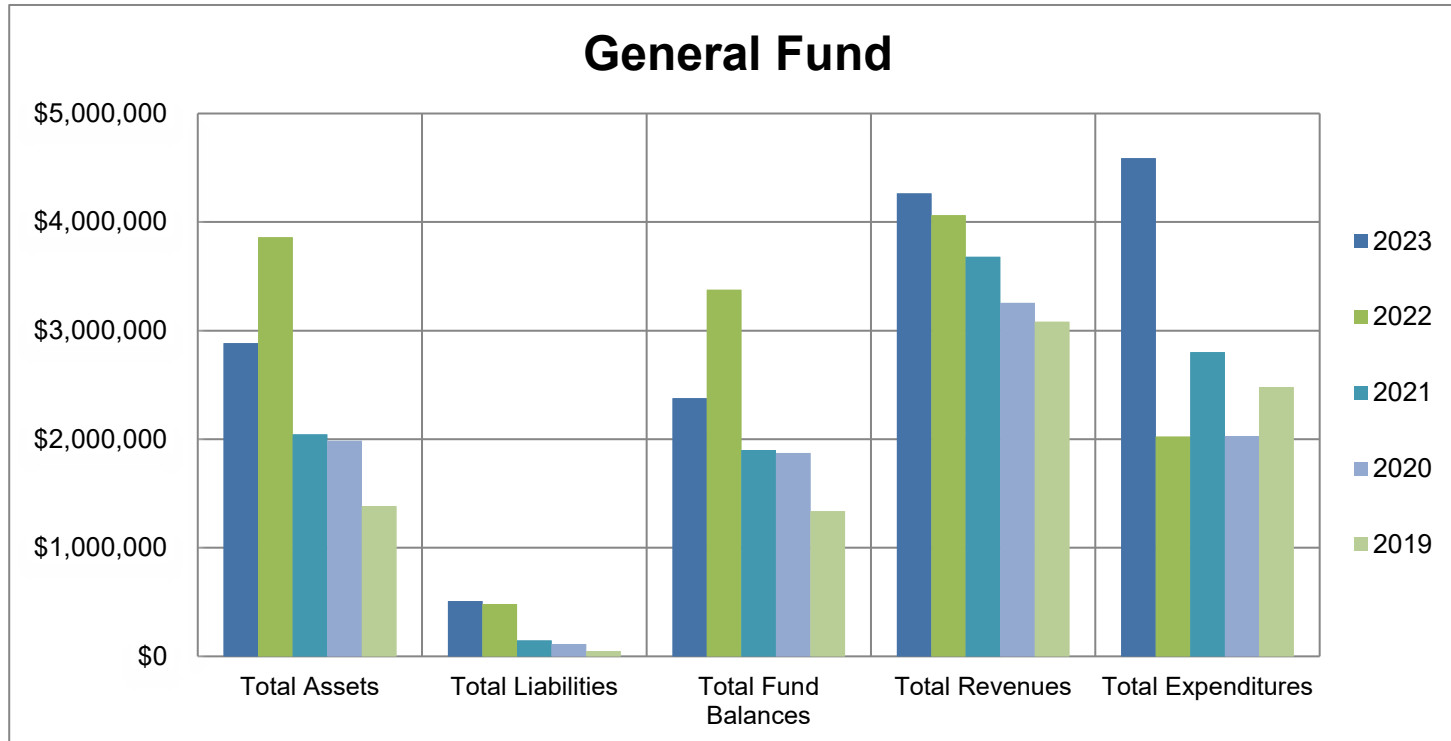
The Municipality's capital assets records are summarized below :

	December 31, 2023
Land	\$ 796,235
Buildings	5,477,604
Equipment	4,558,113
Construction in progress	1,054,119
Total	\$ 11,886,071

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

Schedule 3-1

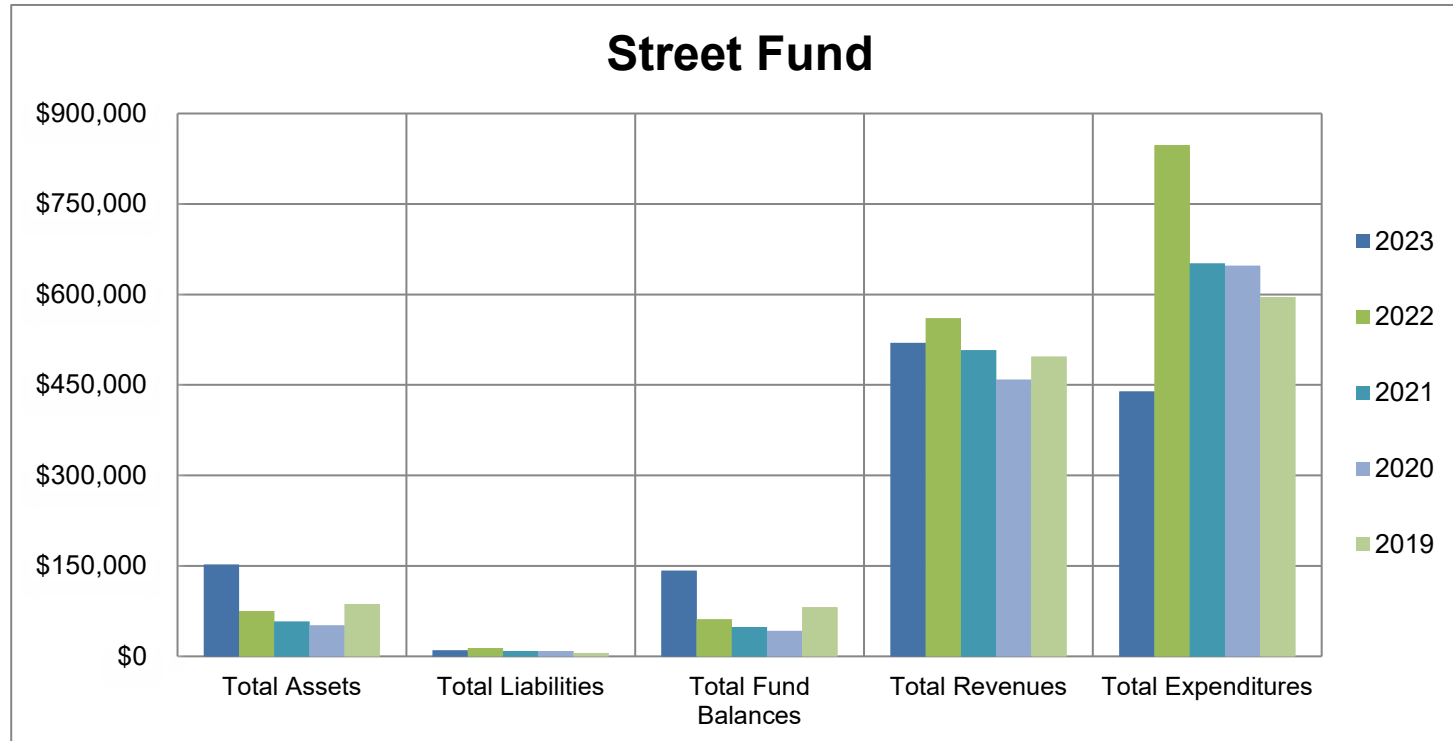
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 2,884,959	\$ 3,859,458	\$ 2,043,899	\$ 1,986,236	\$ 1,385,365
Total Liabilities	508,185	482,288	144,667	113,162	49,944
Total Fund Balances	2,376,774	3,377,170	1,899,232	1,873,074	1,335,421
Total Revenues	4,262,843	4,064,191	3,678,727	3,254,152	3,080,496
Total Expenditures	4,587,337	2,022,717	2,802,054	2,030,842	2,481,511
Total Other Financing Sources/Uses	(675,902)	(563,536)	(850,515)	(685,657)	(386,026)



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

Schedule 3-2

<u>Street</u>	2023	2022	2021	2020	2019
Total Assets	\$ 151,825	\$ 75,282	\$ 57,483	\$ 51,102	\$ 87,014
Total Liabilities	10,073	13,767	8,793	8,905	5,398
Total Fund Balances	141,752	61,515	48,690	42,197	81,616
Total Revenues	519,435	560,595	507,642	458,702	496,821
Total Expenditures	439,198	847,770	651,149	647,490	595,418
Total Other Financing Sources/Uses		300,000	150,000	149,369	50,000



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

Schedule 3-3

<u>Other Funds in the Aggregate</u>	2023	2022	2021	2020	2019
Total Assets	\$ 505,510	\$ 1,088,692	\$ 1,052,521	\$ 774,981	\$ 621,932
Total Liabilities	118,926	259,813	56,827	474,337	33,574
Total Fund Balances	386,584	828,879	995,694	300,644	588,358
Total Revenues	2,476,538	2,291,925	2,872,879	1,467,081	1,212,179
Total Expenditures	2,951,643	2,088,172	2,298,680	1,786,754	1,356,888
Total Other Financing Sources/Uses	32,810	(370,568)	120,851	31,959	

