

City of Wynne, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WYNNE, 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
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, 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 6, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 6, 2024
LOM109623

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 Wynne, 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 Wynne, Arkansas (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated August 6, 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

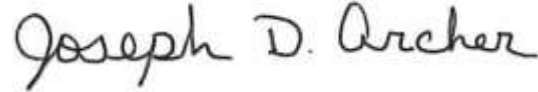
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 6, 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

A handwritten signature in black ink that reads "Joseph D. Archer". The signature is written in a cursive, slightly slanted style.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 6, 2024

Arkansas



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

Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

Mayor: Jennifer Hobbs
Clerk: Emily Watts
Treasurer: Bobby Caldwell
District Court Clerk: Hannah Jackson
Police Chief: Richard Dennis

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 black ink that reads "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 6, 2024

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

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 3,399,877	\$ 329,916	\$ 777,453
Accounts receivable	385,021	18,886	2,081
Interfund receivables			50,000
	<u>3,784,898</u>	<u>348,802</u>	<u>829,534</u>
TOTAL ASSETS	<u>\$ 3,784,898</u>	<u>\$ 348,802</u>	<u>\$ 829,534</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 67		
Interfund payables	50,000		
Settlements pending			\$ 136,031
Total Liabilities	<u>50,067</u>		<u>136,031</u>
Fund Balances:			
Restricted			613,578
Committed			79,925
Assigned	1,011,974	\$ 348,802	
Unassigned	2,722,857		
Total Fund Balances	<u>3,734,831</u>	<u>348,802</u>	<u>693,503</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,784,898</u>	<u>\$ 348,802</u>	<u>\$ 829,534</u>

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

CITY OF WYNNE, 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	\$ 154,454	\$ 701,341	\$ 79,513
Federal aid	4,900,476		
Property taxes	549,254	161,380	
Franchise fees	437,266		
Sales taxes	3,884,567	204,817	
Fines, forfeitures, and costs	208,513		23,260
Interest	45,314	8,963	7,957
Local permits and fees	135,101		142,555
Sanitation fees	1,788,257		
Rental fees	34,876		
Donations			50,000
Other	1,103,197	58,441	
TOTAL REVENUES	13,241,275	1,134,942	303,285
EXPENDITURES			
Current:			
General government	5,608,899		
Law enforcement	2,313,291		41,261
Highways and streets		1,302,588	
Public safety	1,069,986		217,594
Sanitation	1,824,274		
Health			139,715
Recreation and culture	476,925		
Total Current	11,293,375	1,302,588	398,570
Debt Service:			
Financed purchases principal	140,296	23,828	29,134
Financed purchases interest	7,448	772	5,866
TOTAL EXPENDITURES	11,441,119	1,327,188	433,570

CITY OF WYNNE, 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>\$ 1,800,156</u>	<u>\$ (192,246)</u>	<u>\$ (130,285)</u>
OTHER FINANCING SOURCES (USES)			
Community development pay	125,000		
Sales tax remitted to Economic Development Commission	<u>(539,209)</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(414,209)</u>		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,385,947	(192,246)	(130,285)
FUND BALANCES - JANUARY 1	<u>2,348,884</u>	<u>541,048</u>	<u>823,788</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,734,831</u>	<u>\$ 348,802</u>	<u>\$ 693,503</u>

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

CITY OF WYNNE, 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	\$ 250,000	\$ 154,454	\$ (95,546)	\$ 705,100	\$ 701,341	\$ (3,759)
Federal aid	4,866,000	4,900,476	34,476			
Property taxes	510,000	549,254	39,254	145,000	161,380	16,380
Franchise fees	422,650	437,266	14,616			
Sales taxes	3,884,200	3,884,567	367	170,000	204,817	34,817
Fines, forfeitures, and costs	269,900	208,513	(61,387)			
Interest	11,286	45,314	34,028	3,500	8,963	5,463
Local permits and fees	77,825	135,101	57,276			
Sanitation fees	1,733,000	1,788,257	55,257			
Rental fees		34,876	34,876			
Other	441,375	1,103,197	661,822	500	58,441	57,941
TOTAL REVENUES	12,466,236	13,241,275	775,039	1,024,100	1,134,942	110,842
EXPENDITURES						
Current:						
General government	5,506,985	5,608,899	(101,914)			
Law enforcement	2,432,239	2,313,291	118,948			
Highways and streets				1,515,245	1,302,588	212,657
Public safety	1,120,000	1,069,986	50,014			
Sanitation	1,877,000	1,824,274	52,726			
Recreation and culture	726,325	476,925	249,400			
Total Current	11,662,549	11,293,375	369,174	1,515,245	1,302,588	212,657
Debt Service:						
Financed purchases principal	95,500	140,296	(44,796)		23,828	(23,828)
Financed purchases interest		7,448	(7,448)		772	(772)
TOTAL EXPENDITURES	11,758,049	11,441,119	316,930	1,515,245	1,327,188	188,057

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

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 708,187	\$ 1,800,156	\$ 1,091,969	\$ (491,145)	\$ (192,246)	\$ 298,899
OTHER FINANCING SOURCES (USES)						
Community development pay	125,000	125,000	0			
Sales tax remitted to Economic Development Commission	(700,000)	(539,209)	160,791			
TOTAL OTHER FINANCING SOURCES (USES)	(575,000)	(414,209)	160,791			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	133,187	1,385,947	1,252,760	(491,145)	(192,246)	298,899
FUND BALANCES - JANUARY 1	393,299	2,348,884	1,955,585	491,145	541,048	49,903
FUND BALANCES - DECEMBER 31	\$ 526,486	\$ 3,734,831	\$ 3,208,345	\$ 0	\$ 348,802	\$ 348,802

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

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Wynne 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 fund of the City would have been included in the reporting entity: Municipal Waterworks and Sewer System. 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 and property taxes that are restricted or committed for maintaining and constructing highways and streets.

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

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

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

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

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

Fund Balance Classifications

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

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.

CITY OF WYNNE, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

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

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

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,013,654	\$ 1,013,654
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	3,492,592	3,826,484
Total Deposits	\$ 4,506,246	\$ 4,840,138

The above total deposits do not include cash on hand of \$1,000.

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

NOTE 4: Accounts Receivable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Franchise fees	\$ 17,555		
Sales taxes	346,383	\$ 18,886	
Fines, forfeitures, and costs	16,017		\$ 2,081
Other	5,066		
Totals	\$ 385,021	\$ 18,886	\$ 2,081

NOTE 5: Accounts Payable

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

Description	General Fund
Total vendor payables	<u>\$ 67</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2023	
	Interfund Receivables	Interfund Payables
General Fund		\$ 50,000
Other Funds in the Aggregate:		
Special Revenue Funds:		
Fire Equipment and Training (Act 833)	\$ 50,000	
Totals	\$ 50,000	\$ 50,000

Interfund receivables and payables consist of errors in depositing restricted revenues. These balances were repaid in January 2024.

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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			\$ 430,966
Law enforcement			12,332
Public safety			170,280
Total Restricted			613,578
Committed for:			
Health			79,925
Assigned to:			
General government	\$ 27,447		
Law enforcement	9,594		
Public safety		\$ 348,802	
Recreation and culture	974,933		
Total Assigned	1,011,974	348,802	
Unassigned	2,722,857		
Totals	\$ 3,734,831	\$ 348,802	\$ 693,503

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, the legal debt limit for the bonded debt was \$22,242,259. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2023, the legal debt limit for short-term financing obligations was \$5,905,402. The amount of short-term financing obligations was \$371,819 leaving a legal debt margin of \$5,533,583.

NOTE 9: Commitments

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

	December 31, 2023
Long-term liabilities	\$ 639,414
Leases	397,918
Total Commitments	\$ 1,037,332

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9: Commitments (Continued)

Long-term liabilities

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

	December 31, 2023
<u>Direct Borrowings</u>	
Financed purchase with First National Bank of Eastern Arkansas, dated June 18, 2020, for \$301,875 to pay off an existing fire truck loan with Evolve Bank and to purchase another fire truck. Terms of the new agreement are 4 annual payments of \$35,000 and a final payment of \$192,602 with an interest rate of 2.7%. Payments are to be made from the Fire Equipment and Training Fund.	\$ 187,539
Financed purchase with First Financial Bank in the amount of \$360,000, dated October 19, 2021, for the sports complex construction. Yearly installments of \$95,470 for 4 years with an interest rate of 2.4%. Payments are to be made from the Parks and Recreation Fund.	184,280
Total Direct Borrowings	371,819
Compensated absences consisting of accrued vacation and sick leave and compensatory time adjusted to current salary cost.	267,595
Total Long-term liabilities	\$ 639,414

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 \$371,819 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2023	Maturities to December 31, 2023
<u>Direct Borrowings</u>					
6/18/20	4/1/25	2.70%	\$ 301,875	\$ 187,539	\$ 114,336
10/19/21	10/20/25	2.40%	360,000	184,280	175,720
Total Long-Term Debt			\$ 661,875	\$ 371,819	\$ 290,056

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
<u>Direct Borrowings</u>				
Total Financed purchases	\$ 565,077	\$ 0	\$ 193,258 *	\$ 371,819

* Includes \$27,555 of early retirement

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2024	\$ 278,575	\$ 9,498	\$ 288,073
2025	93,244	2,232	95,476
Totals	\$ 371,819	\$ 11,730	\$ 383,549

Leases

The City entered into a lease agreement for a sanitation vehicle on April 21, 2022. Terms of the lease are monthly rental payments of \$5,058 for 24 months. At the end of the lease term, the City will return the vehicle.

The City entered into a lease agreement for a sanitation vehicle on September 9, 2022. Terms of the lease are monthly rental payments of \$3,787 for 24 months. At the end of the lease term, the City will return the vehicle.

The City entered into a lease agreement for a sanitation vehicle on October 11, 2022. Terms of the lease are monthly rental payments of \$18,998 for 3 years. At the end of the lease term, the City will return the vehicle.

The City entered into a lease agreement for a sanitation vehicle on January 26, 2023. Terms of the lease are monthly rental payments of \$4,521 for 24 months. At the end of the lease term, the City will return the vehicle.

The City entered into a lease agreement for a sanitation vehicle on April 28, 2023. Terms of the lease are monthly rental payments of \$4,077 for 24 months. At the end of the lease term, the City will return the vehicle.

The City entered into a lease agreement for a sanitation vehicle on July 20, 2023. Terms of the lease are monthly rental payments of \$8,205 for 24 months. At the end of the lease term, the City will return the vehicle.

The City is obligated for the following amounts for the next two years:

Year	December 31, 2023
2024	\$ 293,941
2025	103,977
Total	\$ 397,918

Lease expense for 2023 was \$316,495.

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10: Jointly Governed Organization: Delta Regional Airport Authority

Cross and St. Francis County, including the cities of Wynne and Forrest City, entered into an agreement on February 11, 2003, to establish the Delta Regional Airport Authority (DRAA). The DRAA is governed by eight board members. Three commissioners were appointed by the Mayor of each of the cities and one commissioner was appointed by the Judge of each of the counties. Any funds received by the City relating to the DRAA are reflected in the respective financial statements. Any accounts handled directly by the DRAA are not included.

NOTE 11: 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.

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.

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

**NOTE 12: 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 May 9, 2004, administration of the City of Wynne Firemen's Pension and Relief Fund and the City of Wynne Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$263,052 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$141,606 for the year ended December 31, 2023.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2023, (actuarial valuation date and measurement date) was \$3,460,027.

NOTE 13: 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, (date of APERS Employer Allocation Report) was \$200,329.

CITY OF WYNNE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13: 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, (actuarial valuation date and measurement date) was \$1,719,299.

NOTE 14: 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 Nichols \$23,185 for the year ended December 31, 2023.

NOTE 15: Community Development Pay

On September 23, 2021, the City of Wynne entered into an agreement with Quartz Solar, LLC that would require the Company to make annual "Community Development Payments" of \$125,000 over a 5-year period ending on November 1, 2025, for a combined total of \$625,000. Each of the Community Development Payments shall constitute a contribution for the furtherance of community development and shall be used by the City for the construction, repair, or maintenance of infrastructure, the improvement of the park systems, community development projects or other services provided in the City, all which shall be determined by the City Council.

In exchange for these Community Development Payments, the City will assist the Company with the installation of solar panels, communication systems, transmission lines, electrical lines, substations, switchyards, access roads, construction and related facilities, equipment and improvements related to the development and construction of a solar-powered electric generating facility on approximately 1,200 acres of land with the entirety of the site located within the boundaries of Cross County, Arkansas and the northern portion located within and the southern portion located outside the limits of the City.

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

Schedule 1

	SPECIAL REVENUE FUNDS					CUSTODIAL FUNDS			Totals
	Police Drug-Buy	Mosquito Control	Fire Equipment and Training (Act 833)	Court Automation	Drug Abuse Resistance Education	American Rescue Plan Act	Administration of Justice	District Court	
ASSETS									
Cash and cash equivalents	\$ 1,860	\$ 79,925	\$ 120,280	\$ 1,444	\$ 6,947	\$ 430,966	\$ 33,156	\$ 102,875	\$ 777,453
Accounts receivable				2,081					2,081
Interfund receivables			50,000						50,000
TOTAL ASSETS	\$ 1,860	\$ 79,925	\$ 170,280	\$ 3,525	\$ 6,947	\$ 430,966	\$ 33,156	\$ 102,875	\$ 829,534
LIABILITIES AND FUND BALANCES									
Liabilities:									
Settlements pending							\$ 33,156	\$ 102,875	\$ 136,031
Fund Balances:									
Restricted	\$ 1,860		\$ 170,280	\$ 3,525	\$ 6,947	\$ 430,966			613,578
Committed		\$ 79,925							79,925
Total Fund Balances	1,860	79,925	170,280	3,525	6,947	430,966			693,503
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,860	\$ 79,925	\$ 170,280	\$ 3,525	\$ 6,947	\$ 430,966	\$ 33,156	\$ 102,875	\$ 829,534

CITY OF WYNNE, 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						Totals
	Police Drug-Buy	Mosquito Control	Fire Equipment and Training (Act 833)	Court Automation	Drug Abuse Resistance Education	American Rescue Plan Act	
REVENUES							
State aid			\$ 79,513				\$ 79,513
Fines, forfeitures, and costs				\$ 23,260			23,260
Interest	\$ 928	1,141			\$ 5,888		7,957
Local permits and fees	142,555						142,555
Donations		50,000					50,000
TOTAL REVENUES	<u>143,483</u>	<u>130,654</u>	<u>23,260</u>		<u>5,888</u>		<u>303,285</u>
EXPENDITURES							
Current:							
Law enforcement				40,901	\$ 360		41,261
Public safety		17,594				200,000	217,594
Health	139,715						139,715
Total Current	<u>139,715</u>	<u>17,594</u>	<u>40,901</u>	<u>360</u>	<u>200,000</u>		<u>398,570</u>
Debt Service:							
Financed purchase principal		29,134					29,134
Financed purchase interest		5,866					5,866
TOTAL EXPENDITURES	<u>139,715</u>	<u>52,594</u>	<u>40,901</u>	<u>360</u>	<u>200,000</u>		<u>433,570</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,768	78,060	(17,641)	(360)	(194,112)		(130,285)
FUND BALANCES - JANUARY 1	<u>\$ 1,860</u>	<u>76,157</u>	<u>92,220</u>	<u>21,166</u>	<u>7,307</u>	<u>625,078</u>	<u>823,788</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,860</u>	<u>\$ 79,925</u>	<u>\$ 170,280</u>	<u>\$ 3,525</u>	<u>\$ 6,947</u>	<u>\$ 430,966</u>	<u>\$ 693,503</u>

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Police Drug-Buy	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.
Mosquito Control	Wynne Ordinance no 392 (April 6, 1971) designated a separate fund for the collection of a fee for mosquito control.
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.
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 Abuse Resistance Education	Established to account for donations received for the drug abuse resistance education program.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Recover 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.
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.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

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

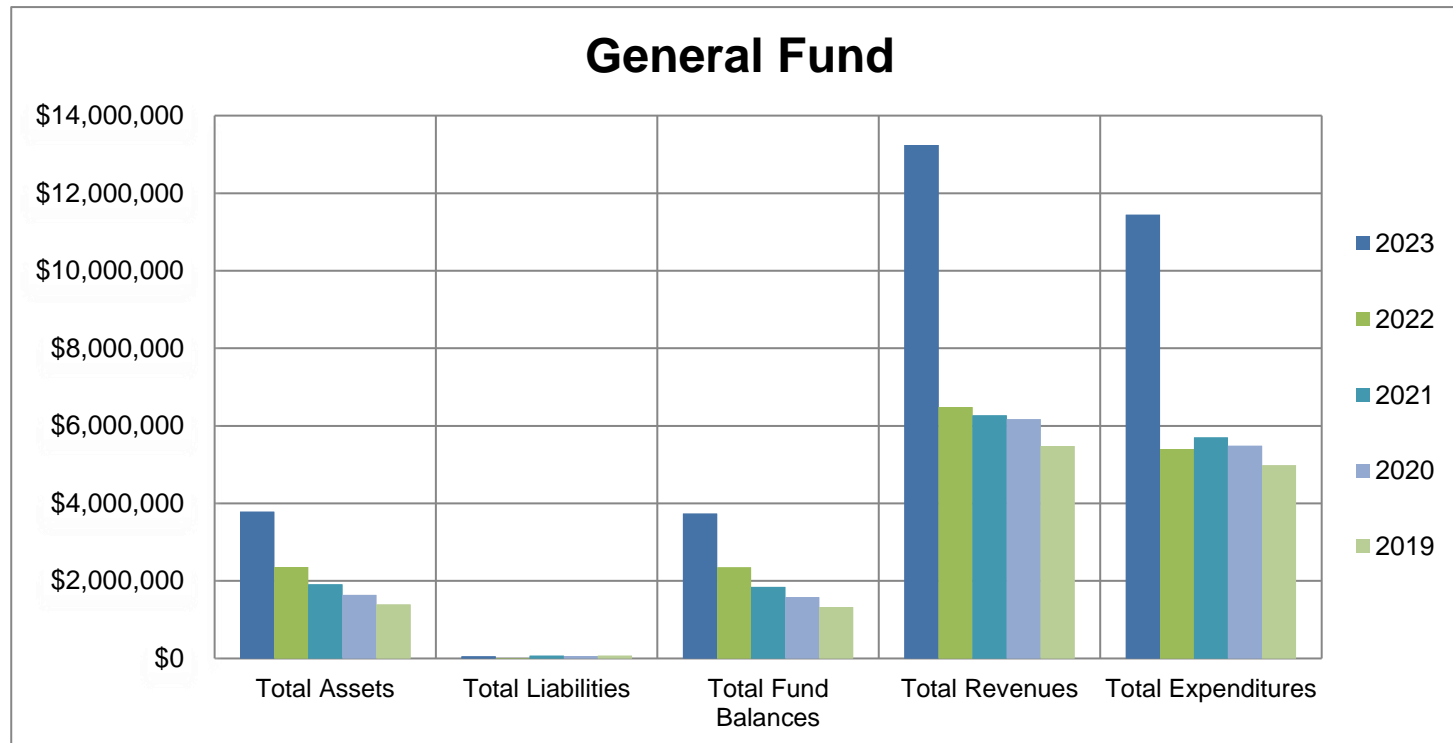
Schedule 3

	<u>December 31, 2023</u>
Land	\$ 1,735,818
Buildings	8,075,638
Equipment	<u>4,806,221</u>
Total	<u><u>\$ 14,617,677</u></u>

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

Schedule 4-1

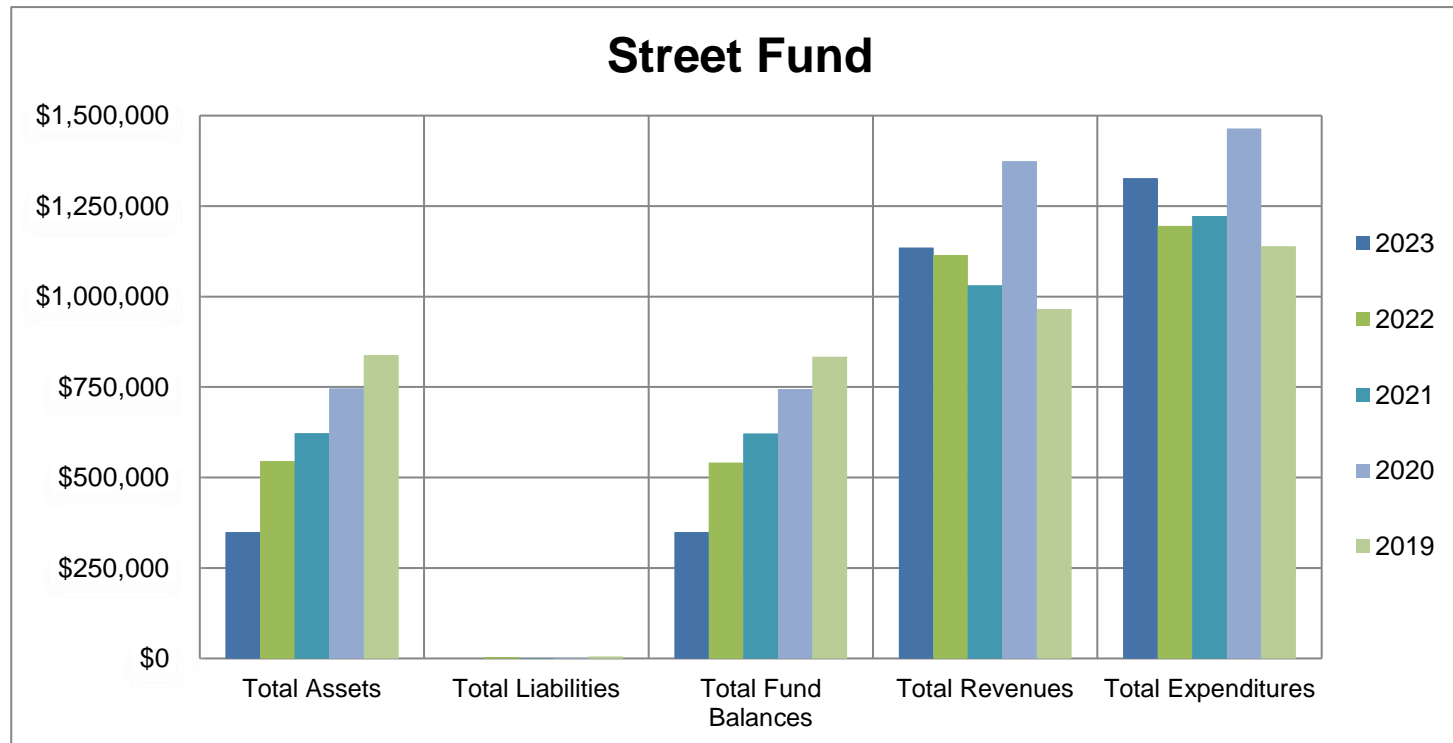
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 3,784,898	\$ 2,355,595	\$ 1,910,756	\$ 1,639,470	\$ 1,393,885
Total Liabilities	50,067	6,711	67,342	60,059	67,991
Total Fund Balances	3,734,831	2,348,884	1,843,414	1,579,411	1,325,894
Total Revenues	13,241,275	6,484,188	6,272,034	6,167,811	5,477,117
Total Expenditures	11,441,119	5,403,430	5,699,124	5,481,284	4,983,363
Total Other Financing Sources/Uses	(414,209)	(575,288)	(308,907)	(433,010)	(606,659)



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

Schedule 4-2

<u>Street</u>	2023	2022	2021	2020	2019
Total Assets	\$ 348,802	\$ 545,291	\$ 621,681	\$ 745,490	\$ 838,280
Total Liabilities		4,243	124	1,703	4,622
Total Fund Balances	348,802	541,048	621,557	743,787	833,658
Total Revenues	1,134,942	1,114,813	1,030,246	1,374,101	965,252
Total Expenditures	1,327,188	1,195,322	1,222,668	1,463,972	1,138,745
Total Other Financing Sources/Uses			70,192		



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 829,534	\$ 971,517	\$ 683,065	\$ 355,285	\$ 350,437
Total Liabilities	136,031	147,729	85,518	78,387	75,329
Total Fund Balances	693,503	823,788	597,547	276,898	275,108
Total Revenues	303,285	1,057,542	1,062,864	257,817	248,375
Total Expenditures	433,570	831,301	742,215	256,027	248,706
Total Other Financing Sources/Uses					

