

City of Barling, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BARLING, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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Arkansas

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Senate Vice Chair



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Barling, 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 Barling, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated August 15, 2024. These procedures were not performed for the Waterworks Fund. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

Mayor: Greg Murray
City Administrator: Steve Core
Treasurer: Charity Gregory
City/District Court Clerk: Florene Brown
Police Chief: Bryan Fuller

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, nothing came to our attention that would warrant disclosure in this report.

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
August 15, 2024
LOM109923

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,628,787	\$ 778,591	\$ 2,174,847
Accounts receivable	499,893		55,414
Interfund receivables	172,191		
TOTAL ASSETS	\$ 3,300,871	\$ 778,591	\$ 2,230,261
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 79,564	\$ 12,053	\$ 65,323
Interfund payables		172,191	
Settlements pending			15,135
Total Liabilities	79,564	184,244	80,458
Fund Balances:			
Restricted		468,169	1,519,676
Committed	263,863	126,178	630,127
Assigned	96,284		
Unassigned	2,861,160		
Total Fund Balances	3,221,307	594,347	2,149,803
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,300,871	\$ 778,591	\$ 2,230,261

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

CITY OF BARLING, 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	\$ 96,767	\$ 403,393	
Federal aid	30,641		\$ 16,022
Property taxes	281,129	84,377	
Franchise fees	234,282		
Sales taxes	2,049,088	66,136	660,708
Fines, forfeitures, and costs	135,492		37,942
Interest	42,930	705	5,436
Local permits and fees	280,315		
Sanitation fees			465,620
Fire equipment assessment fee	207,637		
Reimbursements for overlay project			251,468
Other	127,661	15,773	7,631
	<u>3,485,942</u>	<u>570,384</u>	<u>1,444,827</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	533,409		
Law enforcement	1,294,623		22,333
Highways and streets		562,435	553,280
Public safety	593,324		
Sanitation			389,691
Recreation and culture	136,844		426,707
	<u>2,558,200</u>	<u>562,435</u>	<u>1,392,011</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>927,742</u>	<u>7,949</u>	<u>52,816</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			100
Transfers out	(100)		
Contribution to water department	(4,987)	(4,160)	(16,670)
Contribution from water department	6,300	22,680	
	<u>1,213</u>	<u>18,520</u>	<u>(16,570)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	928,955	26,469	36,246
FUND BALANCES - JANUARY 1	<u>2,292,352</u>	<u>567,878</u>	<u>2,113,557</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,221,307</u>	<u>\$ 594,347</u>	<u>\$ 2,149,803</u>

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

CITY OF BARLING, 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	\$ 133,847	\$ 96,767	\$ (37,080)	\$ 710,000	\$ 403,393	\$ (306,607)
Federal aid	15,000	30,641	15,641			
Property taxes	265,000	281,129	16,129	80,000	84,377	4,377
Franchise fees	175,000	234,282	59,282			
Sales taxes	1,860,000	2,049,088	189,088	480,000	66,136	(413,864)
Fines, forfeitures, and costs	127,000	135,492	8,492			
Interest	2,150	42,930	40,780	500	705	205
Local permits and fees	230,575	280,315	49,740			
Fire equipment assessment fee	190,000	207,637	17,637			
Other	74,595	127,661	53,066	11,000	15,773	4,773
TOTAL REVENUES	3,073,167	3,485,942	412,775	1,281,500	570,384	(711,116)
EXPENDITURES						
Current:						
General government	659,321	533,409	125,912			
Law enforcement	1,337,445	1,294,623	42,822			
Highways and streets				1,232,478	562,435	670,043
Public safety	626,731	593,324	33,407			
Recreation and culture	436,826	136,844	299,982			
TOTAL EXPENDITURES	3,060,323	2,558,200	502,123	1,232,478	562,435	670,043
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,844	927,742	914,898	49,022	7,949	(41,073)
OTHER FINANCING SOURCES (USES)						
Transfers in	33,700		(33,700)			
Transfers out	28,572	(100)	(28,672)			
Contribution to water department	111,000	(4,987)	(115,987)		(4,160)	(4,160)
Contribution from water department		6,300	6,300		22,680	22,680
TOTAL OTHER FINANCING SOURCES (USES)	173,272	1,213	(172,059)		18,520	18,520
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	186,116	928,955	742,839	49,022	26,469	(22,553)
FUND BALANCES - JANUARY 1		2,292,352	2,292,352		567,878	567,878
FUND BALANCES - DECEMBER 31	\$ 186,116	\$ 3,221,307	\$ 3,035,191	\$ 49,022	\$ 594,347	\$ 545,325

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

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

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS		CUSTODIAL FUNDS		Totals
	Sanitation	Court Technology	State Drug Asset Forfeiture	Federal Asset Forfeiture	Jail Fee	Street Improvement	Arkansas Economic Development	Administration of Justice	Police Court	
ASSETS										
Cash and cash equivalents	\$ 695,450	\$ 26,386	\$ 21,030	\$ 90	\$ 55,847	\$ 1,360,809	\$ 100	\$ 353	\$ 14,782	\$ 2,174,847
Accounts receivable		350			948	54,116				55,414
TOTAL ASSETS	\$ 695,450	\$ 26,736	\$ 21,030	\$ 90	\$ 56,795	\$ 1,414,925	\$ 100	\$ 353	\$ 14,782	\$ 2,230,261
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 65,323									\$ 65,323
Settlements pending								\$ 353	\$ 14,782	15,135
Total Liabilities	65,323							353	14,782	80,458
Fund Balances:										
Restricted		\$ 26,736	\$ 21,030	\$ 90	\$ 56,795	\$ 1,414,925	\$ 100			1,519,676
Committed	630,127									630,127
Total Fund Balances	630,127	26,736	21,030	90	56,795	1,414,925	100			2,149,803
TOTAL LIABILITIES AND FUND BALANCES	\$ 695,450	\$ 26,736	\$ 21,030	\$ 90	\$ 56,795	\$ 1,414,925	\$ 100	\$ 353	\$ 14,782	\$ 2,230,261

CITY OF BARLING, 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					CAPITAL PROJECTS FUNDS			Totals
	Sanitation	Court Technology	State Drug Asset Forfeiture	Federal Asset Forfeiture	Jail Fee	American Rescue Plan Act	Street Improvement	Arkansas Economic Development	
REVENUES									
Federal aid								\$ 16,022	\$ 16,022
Sales taxes							\$ 660,708		660,708
Fines, forfeitures, and costs		\$ 4,880	\$ 17,552		\$ 15,510				37,942
Interest	\$ 4,952	30	14		54		386		5,436
Sanitation fees	465,620								465,620
Reimbursements for overlay project							251,468		251,468
Other	7,631								7,631
TOTAL REVENUES	478,203	4,910	17,566		15,564		912,562	16,022	1,444,827
EXPENDITURES									
Current:									
Law enforcement		10,136	4,405		7,792				22,333
Highways and streets							553,280		553,280
Sanitation	389,691								389,691
Recreation and culture						\$ 410,685		16,022	426,707
TOTAL EXPENDITURES	389,691	10,136	4,405		7,792	410,685	553,280	16,022	1,392,011
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	88,512	(5,226)	13,161		7,772	(410,685)	359,282		52,816
OTHER FINANCING SOURCES (USES)									
Transfers in								100	100
Contribution to water department	(16,670)								(16,670)
TOTAL OTHER FINANCING SOURCES (USES)	(16,670)							100	(16,570)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	71,842	(5,226)	13,161		7,772	(410,685)	359,282	100	36,246
FUND BALANCES - JANUARY 1	558,285	31,962	7,869	\$ 90	49,023	410,685	1,055,643		2,113,557
FUND BALANCES - DECEMBER 31	\$ 630,127	\$ 26,736	\$ 21,030	\$ 90	\$ 56,795	\$ 0	\$ 1,414,925	\$ 100	\$ 2,149,803

CITY OF BARLING, 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>
Sanitation	Barling Ordinance No. 129 (May 12, 1981) provided sanitation rates and charges to be determined by City Board of Directors and collected on the monthly water bills to provide for City Sanitation Services.
Court Technology	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.
State Drug Asset Forfeiture	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Federal Asset Forfeiture	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Jail Fee	Ark. Code Ann. § 16-17-129 and Barling Ordinance No. 386 (February 28, 2012) provided for an additional \$20 from each defendant to be collected by the District Court and deposited into a city fund to be used exclusively to help defray the cost of incarcerating city prisoners.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Street Improvement	Barling Ordinance No. 409 (August 12, 2014) provided for the levy of a one percent (1%) Sales and Use Tax through December 31, 2024, within the City of Barling, Arkansas for immediate improvement of the City's road, street, alleyways, curbs, gutters, drainage, and sidewalks, and for a source of revenue to finance such improvements.
Arkansas Economic Development	Established to account for a grant from the Arkansas Department of Economic Development Commission for the construction of a walking trail and pavilion.
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.
Police Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023

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, property taxes, and sales taxes that are restricted or committed for maintaining and constructing highways and streets.

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Funds presented on Schedules 1 and 2 are 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). The Custodial Funds presented on Schedule 1 are reported with other funds in the aggregate.

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023

1. (Continued)

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.

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 accounts and certificates of deposit.

Settlements Pending

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

Fund Balance Classifications

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

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023

1. (Continued)

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.

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.

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023

2. 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:			
Law enforcement			\$ 104,651
Highways and streets		\$ 468,169	
Capital outlay			1,415,025
Total Restricted		<u>468,169</u>	<u>1,519,676</u>
Committed for:			
General government	\$ 72,673		
Highways and streets		126,178	
Public safety	191,190		
Sanitation			630,127
Total Committed	<u>263,863</u>	<u>126,178</u>	<u>630,127</u>
Assigned to:			
Public safety	<u>96,284</u>		
Unassigned	<u>2,861,160</u>		
Totals	<u>\$ 3,221,307</u>	<u>\$ 594,347</u>	<u>\$ 2,149,803</u>

3. Commitments

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

	December 31, 2023
Long-term liabilities	\$ 92,516
Lease	<u>65,300</u>
Total Commitments	<u>\$ 157,816</u>

Long-term liabilities

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

	December 31, 2023
Compensated absences consisting of accrued vacation leave adjusted to current salary cost	<u>\$ 92,516</u>

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

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023

3. Commitments (Continued)

Lease

The City entered into a lease agreement for a city-wide safety platform on December 21, 2023. Terms of the lease are an initial payment of \$15,300 (\$10,000 in 2023 and \$5,300 in 2024) followed by annual rental payments of \$15,000 for four years. At the end of the lease term, the lease automatically renews for two years, unless either party gives notice of non-renewal. The City is obligated for the following amounts for the next five years:

<u>Year</u>	<u>December 31, 2023</u>
2024	\$ 5,300
2025	15,000
2026	15,000
2027	15,000
2028	15,000
Total	<u>\$ 65,300</u>

The City made a partial rental payment of \$10,000 in 2023.

4. Interfund Transfers

General Fund transferred \$100 to other funds in the aggregate to supplement funds.

5. Interlocal Agreement

District Court Judge

Sebastian County and the Cities of Barling, Central City, and Greenwood entered into an agreement to provide for the District Judge's annual salary of \$117,300 to be paid 50% by the State and the remaining 50% to be paid as follows: 61% by Sebastian County, 15% by Barling, 4% by Central City, and 20% by Greenwood. The Judge is an employee of the State of Arkansas and is elected for a four-year term. The City's share of the expenses was \$8,572 in 2023.

6. Jointly Governed Organization

Twelfth Judicial District Drug Task Force

The Prosecuting Attorneys of the Twelfth Judicial District and the Twenty-first Judicial District, the Sebastian and Crawford Counties' Sheriffs' Departments, and the Police Departments of Fort Smith, Alma, Greenwood, and Barling entered into an agreement to establish the Twelfth Judicial District Drug Task Force. Funding is provided by grants and the Prosecuting Attorneys' offices, local Sheriff's Departments, and local Police Departments. The City of Barling does not contribute any funds or equipment to the Task Force. Separate financial statements for the Twelfth Judicial District Drug Task Force are available at: 901 South B Street, Fort Smith, AR 72901.

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023

**7. 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 December 31, 2011, administration of the City of Barling's Firemen's Pension and Relief Fund and the City of Barling's 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 \$171,405 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$82,086 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 \$1,990,024.

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, Jerry Barling's surviving spouse, Ms. Lynnette Barling, \$1,500 for the year ended December 31, 2023.

CITY OF BARLING, ARKANSAS
OTHER GENERAL INFORMATION
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, Myra Cardwell, \$13,312 for the year ended December 31, 2023.

10. Retirement System

Plan Description

The City contributes to the International City/County Management Association – Retirement Corporation (ICMA-RC) Deferred Compensation Plan. This plan is a 457 program as defined by the Internal Revenue Service and is administered by the ICMA-RC.

Funding Policy

The City made monthly contributions into each participating individual employee's IRA account matching employee contributions up to a maximum 3% of applicable wages. Participants are eligible for contributions upon hire date. All participants are fully vested at the time the contributions are made.

11. Capital Assets

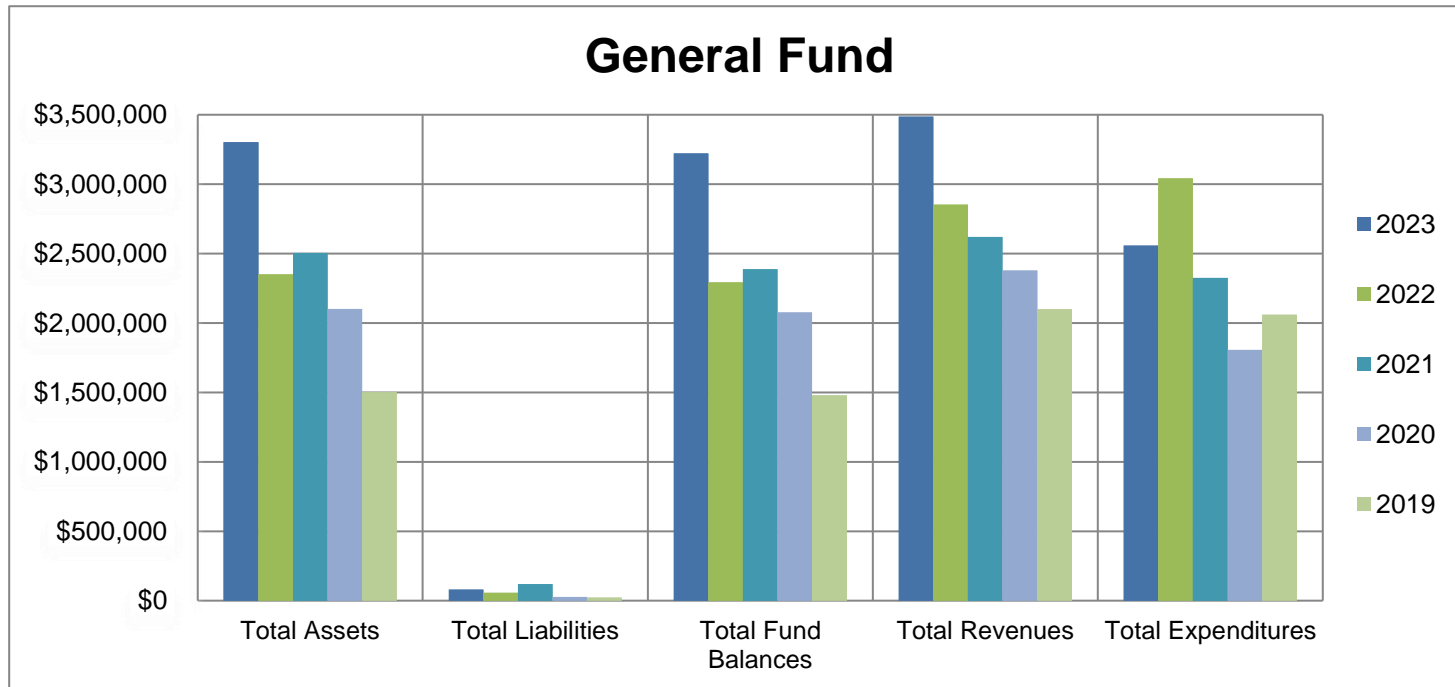
The Municipality's capital assets records are summarized below:

	December 31, 2023
Land	\$ 219,353
Buildings	5,839,677
Equipment	2,959,981
Infrastructure	8,057,665
 Total	 \$ 17,076,676

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

Schedule 3-1

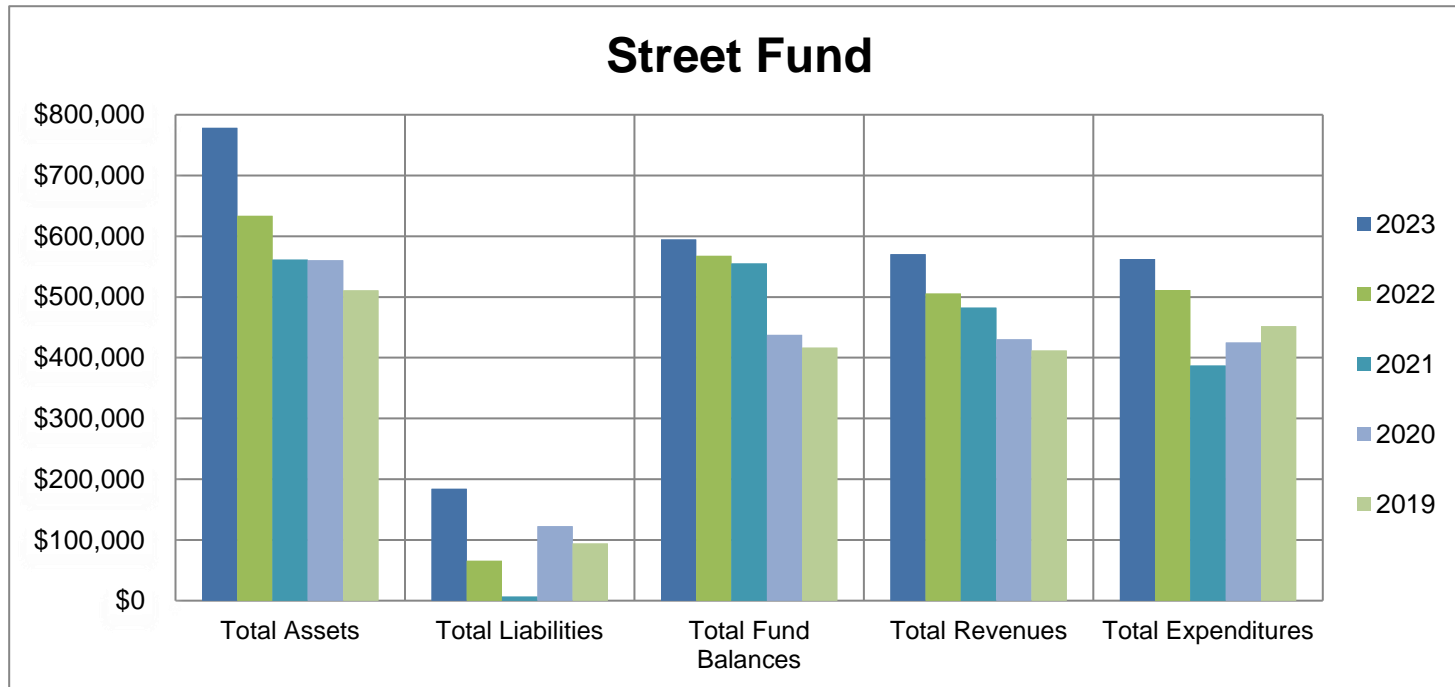
General	2023	2022	2021	2020	2019
Total Assets	\$ 3,300,871	\$ 2,349,431	\$ 2,505,238	\$ 2,101,570	\$ 1,501,185
Total Liabilities	79,564	57,079	118,331	26,491	23,066
Total Fund Balances	3,221,307	2,292,352	2,386,907	2,075,079	1,478,119
Total Revenues	3,485,942	2,852,449	2,619,586	2,377,648	2,097,952
Total Expenditures	2,558,200	3,041,911	2,324,178	1,806,595	2,059,111
Total Other Financing Sources/Uses	1,213	94,907	16,420	25,907	30,836



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

Schedule 3-2

Street	2023	2022	2021	2020	2019
Total Assets	\$ 778,591	\$ 633,394	\$ 561,513	\$ 560,487	\$ 510,591
Total Liabilities	184,244	65,516	6,409	122,674	94,050
Total Fund Balances	594,347	567,878	555,104	437,813	416,541
Total Revenues	570,384	505,731	482,547	429,976	411,898
Total Expenditures	562,435	511,477	387,257	424,927	451,606
Total Other Financing Sources/Uses	18,520	18,520	22,001	16,223	67,890



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

Schedule 3-3

Other Funds in the Aggregate	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 2,230,261	\$ 2,279,252	\$ 2,155,209	\$ 1,645,004	\$ 1,525,562
Total Liabilities	80,458	165,695	24,130	70,404	38,373
Total Fund Balances	2,149,803	2,113,557	2,131,079	1,574,600	1,487,189
Total Revenues	1,444,827	1,357,439	1,408,369	814,797	750,372
Total Expenditures	1,392,011	722,764	831,640	727,386	531,629
Total Other Financing Sources/Uses	(16,570)	(652,197)	(20,250)		(33,508)

