

City of Walnut Ridge, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WALNUT RIDGE, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis (Unaudited)	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis (Unaudited)	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis (Unaudited)	C

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	2
Notes to Schedules 1 and 2 (Unaudited)	
Other General Information (Unaudited)	
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	3-1
Schedule of Selected Information for the Last Five Years – Street Fund - Regulatory Basis (Unaudited)	3-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	3-3

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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

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

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Walnut Ridge, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated February 10, 2026. These procedures were not performed for the Municipal Water and Sewer Works Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2024:

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

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

During our evaluation, 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", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
February 10, 2026
LOM109124

CITY OF WALNUT RIDGE, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,997,825	\$ 284,450	\$ 541,771
Accounts receivable	494,810		1,365
Interfund receivables			355,580
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,492,635</u>	<u>\$ 284,450</u>	<u>\$ 898,716</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 115,206	\$ 6,479	\$ 61,708
Interfund payables	355,580		
Total Liabilities	<u>470,786</u>	<u>6,479</u>	<u>61,708</u>
Fund Balances:			
Restricted		216,456	792,782
Assigned	25,180	61,515	44,226
Unassigned	2,996,669		
Total Fund Balances	<u>3,021,849</u>	<u>277,971</u>	<u>837,008</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,492,635</u>	<u>\$ 284,450</u>	<u>\$ 898,716</u>

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

CITY OF WALNUT RIDGE, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 80,068	\$ 442,730	\$ 485,244
Federal aid	135,594		328,688
Property taxes		67,040	66,863
Franchise fees	340,888		
Sales taxes	2,861,732		375,739
Fines, forfeitures, and costs	41,173		9,632
Interest	78,062		10,499
Local permits and fees	233,227		
Sanitation fees	34,089		
Airport fees			840,998
Other	123,025	4,402	23,442
TOTAL REVENUES	3,927,858	514,172	2,141,105
EXPENDITURES			
Current:			
General government	594,735		
Law enforcement	639,325		4,300
Highways and streets	2,049	377,953	
Public safety	862,575		190,543
Sanitation	195,255		
Health	97,171		
Recreation and culture	180,484		
Airport			1,560,838
TOTAL EXPENDITURES	2,571,594	377,953	1,755,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,356,264	136,219	385,424
OTHER FINANCING SOURCES (USES)			
Transfers in			65,000
Transfers out	(65,000)		
Sales taxes remitted to water department	(646,189)		
TOTAL OTHER FINANCING SOURCES (USES)	(711,189)		65,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	645,075	136,219	450,424
FUND BALANCES - JANUARY 1	2,376,774	141,752	386,584
FUND BALANCES - DECEMBER 31	\$ 3,021,849	\$ 277,971	\$ 837,008

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

CITY OF WALNUT RIDGE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 81,000	\$ 80,068	\$ (932)	\$ 430,000	\$ 442,730	\$ 12,730
Federal aid		135,594	135,594			
Property taxes				60,000	67,040	7,040
Franchise fees	387,000	340,888	(46,112)			
Sales taxes	2,249,505	2,861,732	612,227			
Fines, forfeitures, and costs	37,725	41,173	3,448			
Interest	50,000	78,062	28,062			
Local permits and fees	219,000	233,227	14,227			
Sanitation fees	30,000	34,089	4,089			
Other	123,630	123,025	(605)	1,950	4,402	2,452
TOTAL REVENUES	3,177,860	3,927,858	749,998	491,950	514,172	22,222
EXPENDITURES						
Current:						
General government	695,088	594,735	100,353			
Law enforcement	827,522	639,325	188,197			
Highways and streets		2,049	(2,049)	408,000	377,953	30,047
Public safety	1,100,033	862,575	237,458			
Sanitation	219,480	195,255	24,225			
Health	100,613	97,171	3,442			
Recreation and culture	222,350	180,484	41,866			
TOTAL EXPENDITURES	3,165,086	2,571,594	593,492	408,000	377,953	30,047
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,774	1,356,264	1,343,490	83,950	136,219	52,269
OTHER FINANCING SOURCES (USES)						
Transfers out	(1)	(65,000)	(64,999)			
Contribution to water department	(133,424)	(646,189)	(512,765)			
TOTAL OTHER FINANCING SOURCES (USES)	(133,425)	(711,189)	(577,764)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(120,651)	645,075	765,726	83,950	136,219	52,269
FUND BALANCES - JANUARY 1		2,376,774	2,376,774		141,752	141,752
FUND BALANCES - DECEMBER 31	\$ (120,651)	\$ 3,021,849	\$ 3,142,500	\$ 83,950	\$ 277,971	\$ 194,021

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

CITY OF WALNUT RIDGE, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2024
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS					
	Fire Equipment and Training (Act 833)	Local Police and Fire Retirement (LOPFI)	Airport	District Court Automation	Asphalt Reserve	Totals
ASSETS						
Cash and cash equivalents	\$ 31,669	\$ 44,226	\$ 245,486	\$ 22,048	\$ 198,342	\$ 541,771
Accounts receivable			1,365			1,365
Interfund receivables					355,580	355,580
TOTAL ASSETS	\$ 31,669	\$ 44,226	\$ 246,851	\$ 22,048	\$ 553,922	\$ 898,716
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			\$ 61,708			\$ 61,708
Fund Balances:						
Restricted	\$ 31,669		185,143	\$ 22,048	\$ 553,922	792,782
Assigned		\$ 44,226				44,226
Total Fund Balances	31,669	44,226	185,143	22,048	553,922	837,008
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,669	\$ 44,226	\$ 246,851	\$ 22,048	\$ 553,922	\$ 898,716

CITY OF WALNUT RIDGE, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS					Totals
	Fire Equipment and Training (Act 833)	Local Police and Fire Retirement (LOPFI)	Airport	District Court Automation	Asphalt Reserve	
REVENUES						
State aid	\$ 70,428		\$ 414,816			\$ 485,244
Federal aid			328,688			328,688
Property taxes		\$ 66,863				66,863
Sales taxes			20,159		\$ 355,580	375,739
Fines, forfeitures, and costs				\$ 9,632		9,632
Interest		3	3,648		6,848	10,499
Airport fees			840,998			840,998
Other			23,442			23,442
TOTAL REVENUES	70,428	66,866	1,631,751	9,632	362,428	2,141,105
EXPENDITURES						
Current:						
Law enforcement				4,300		4,300
Public safety	69,291	121,252				190,543
Airport			1,560,838			1,560,838
TOTAL EXPENDITURES	69,291	121,252	1,560,838	4,300		1,755,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,137	(54,386)	70,913	5,332	362,428	385,424
OTHER FINANCING SOURCES (USES)						
Transfers in		65,000				65,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,137	10,614	70,913	5,332	362,428	450,424
FUND BALANCES - JANUARY 1	30,532	33,612	114,230	16,716	191,494	386,584
FUND BALANCES - DECEMBER 31	\$ 31,669	\$ 44,226	\$ 185,143	\$ 22,048	\$ 553,922	\$ 837,008

CITY OF WALNUT RIDGE, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024
(UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Airport	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
Asphalt Reserve	Established by Ordinance no. 861-18 (January 15, 2018) to account for a portion of the .625% Sales and Use tax approved by voters to be used for water, sewer, sanitation, mosquito treatment, and street purposes.

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

1. **A. Basis of Presentation – Regulatory**

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

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

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

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

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

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

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

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

B. Basis of Accounting - Regulatory

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

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

1. (Continued)

B. Basis of Presentation – Regulatory (Continued)

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Fund Balance Classifications

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

D. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year but are not considered delinquent until after October 15. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

E. Budget Law

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

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

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

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

1. (Continued)

E. Budget Law (Continued)

Basis of Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

2. **Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2024, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
Law enforcement			\$ 22,048
Highways and streets		\$ 216,456	553,922
Public safety			31,669
Airport			185,143
Total Restricted		<u>216,456</u>	<u>792,782</u>
Assigned to:			
General government	\$ 25,180		
Highways and streets		61,515	
Police and fire retirement cost			44,226
Total Assigned	<u>25,180</u>	<u>61,515</u>	<u>44,226</u>
Unassigned	<u>2,996,669</u>		
Totals	<u>\$ 3,021,849</u>	<u>\$ 277,971</u>	<u>\$ 837,008</u>

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

3. Commitments

Total commitments consist of the following at December 31, 2024:

	December 31, 2024
Long-term liabilities	\$ 255,808
Construction contract	410,685
Total Commitments	\$ 666,493

Long-term liabilities

Long-term liabilities at December 31, 2024, are comprised of the following:

	December 31, 2024
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 255,808

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

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	\$ 254,845
Ending balance compensated absences	255,808
Net increase (decrease)	\$ 963

Post Employment Benefits Other Than Pensions

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

Construction Contract

The City was contractually obligated for the following construction contract at December 31, 2024:

Project Name	Completion Date	Contract Balance December 31, 2024
Taxiway Lighting Rehabilitation	March 11, 2025	\$ 410,685

4. Interfund Transfers

The General Fund transferred \$65,000 to the Other Funds in the Aggregate Local Police and Fire Retirement (LOPFI) Fund for retirement costs.

CITY OF WALNUT RIDGE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

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

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

**6. Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

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

On June 12, 2005, administration of the City of Walnut Ridge Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of 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 \$215,531 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$163,440 for the year ended December 31, 2024.

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, 2024, (actuarial valuation date and measurement date) was \$1,539,632.

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

The City contributes to a Simplified Employee Pension Plan (SEP-IRA), administered by Modern Woodmen Fraternal Financial, for all non-uniformed employees. All non-uniformed, regular, full-time employees are eligible to become members of the plan after meeting certain age and service requirements. Employer contributions are determined by a vote of the City Council and may vary; however, the City currently contributes 3% of participating employees' annual salaries to the plan. Employees do not make contributions to their SEP-IRA and are entitled only to the funds deposited on their behalf; there is no unfunded liability. Employees may make withdrawals without being penalized at the age of 59 ½. The City's contribution to the plan was \$1,266 for the year ended December 31, 2024.

CITY OF WALNUT RIDGE, ARKANSAS
 OTHER GENERAL INFORMATION
 DECEMBER 31, 2024
 (UNAUDITED)

8. Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayor Paul Rhoads \$3,250 for the year ended December 31, 2024.

9. Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurer Carolyn Hayes \$17,742 for the year ended December 31, 2024.

10. Capital Assets

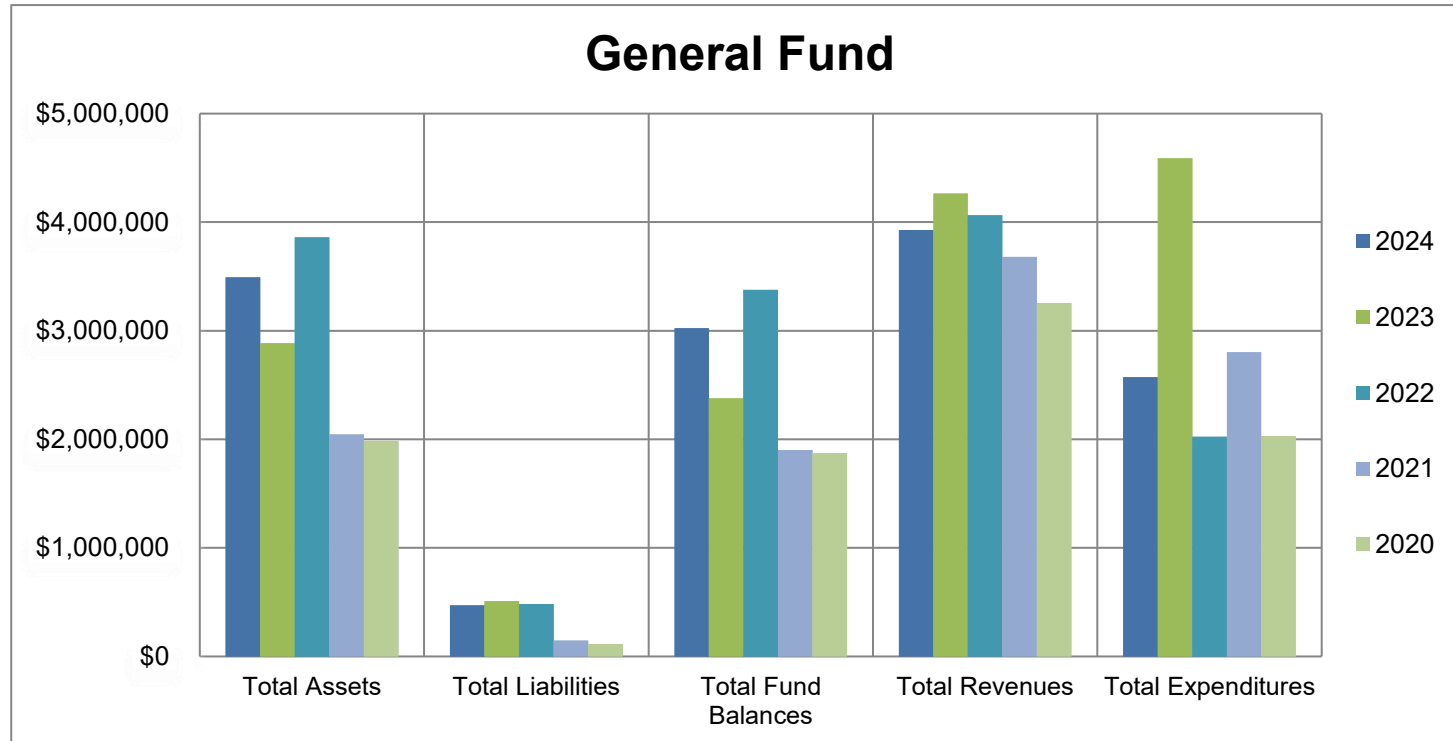
The Municipality's capital assets records are summarized below :

	December 31, 2024
Land	\$ 796,235
Buildings	6,793,177
Equipment	4,664,323
Total	\$ 12,253,735

CITY OF WALNUT RIDGE, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2024
 (Unaudited)

Schedule 3-1

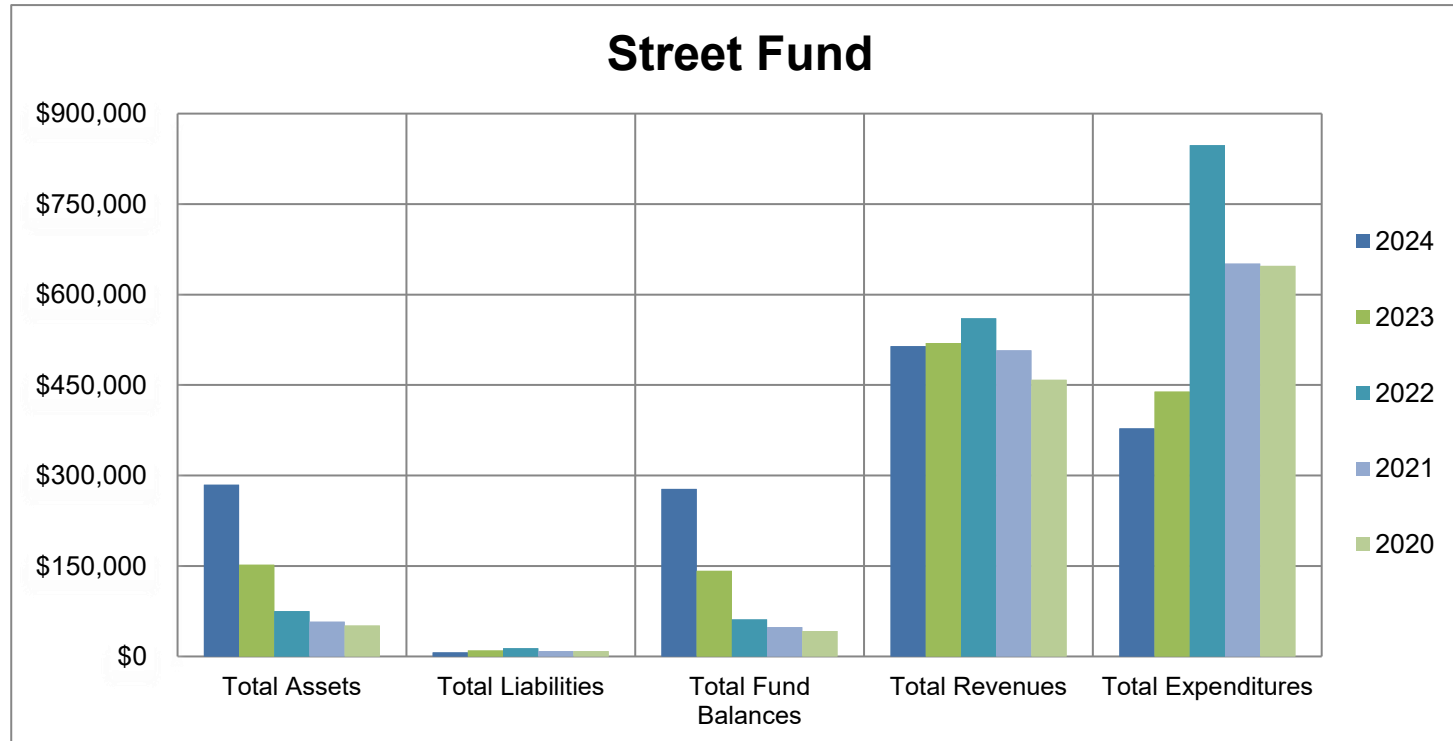
<u>General</u>	2024	2023	2022	2021	2020
Total Assets	\$ 3,492,635	\$ 2,884,959	\$ 3,859,458	\$ 2,043,899	\$ 1,986,236
Total Liabilities	470,786	508,185	482,288	144,667	113,162
Total Fund Balances	3,021,849	2,376,774	3,377,170	1,899,232	1,873,074
Total Revenues	3,927,858	4,262,843	4,064,191	3,678,727	3,254,152
Total Expenditures	2,571,594	4,587,337	2,022,717	2,802,054	2,030,842
Total Other Financing Sources/Uses	(711,189)	(675,902)	(563,536)	(850,515)	(685,657)



CITY OF WALNUT RIDGE, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2024
 (Unaudited)

Schedule 3-2

<u>Street</u>	2024	2023	2022	2021	2020
Total Assets	\$ 284,450	\$ 151,825	\$ 75,282	\$ 57,483	\$ 51,102
Total Liabilities	6,479	10,073	13,767	8,793	8,905
Total Fund Balances	277,971	141,752	61,515	48,690	42,197
Total Revenues	514,172	519,435	560,595	507,642	458,702
Total Expenditures	377,953	439,198	847,770	651,149	647,490
Total Other Financing Sources/Uses			300,000	150,000	149,369



CITY OF WALNUT RIDGE, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2024
 (Unaudited)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	2024	2023	2022	2021	2020
Total Assets	\$ 898,716	\$ 505,510	\$ 1,088,692	\$ 1,052,521	\$ 774,981
Total Liabilities	61,708	118,926	259,813	56,827	474,337
Total Fund Balances	837,008	386,584	828,879	995,694	300,644
Total Revenues	2,141,105	2,476,538	2,291,925	2,872,879	1,467,081
Total Expenditures	1,755,681	2,951,643	2,088,172	2,298,680	1,786,754
Total Other Financing Sources/Uses	65,000	32,810	(370,568)	120,851	31,959

