

City of Wynne, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WYNNE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

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Arkansas



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Wynne, 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 Wynne, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated February 18, 2026. These procedures were not performed for the Municipal Waterworks and Sewer System. 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: Jennifer Hobbs
Clerk: Emily Watts
Treasurer: Bobby Caldwell
District Court Clerk: Hannah Jackson
Police Chief: Richard Dennis

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
February 18, 2026
LOM109624

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 4,366,225	\$ 219,048	\$ 847,254
Accounts receivable	362,794	17,123	2,208
TOTAL ASSETS	\$ 4,729,019	\$ 236,171	\$ 849,462
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,178		
Settlements pending			\$ 122,234
Total Liabilities	4,178		122,234
Fund Balances:			
Restricted			645,990
Committed			81,238
Assigned	1,173,668	\$ 236,171	
Unassigned	3,551,173		
Total Fund Balances	4,724,841	236,171	727,228
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,729,019	\$ 236,171	\$ 849,462

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, 2024
(UNAUDITED)

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 188,875	\$ 683,666	\$ 85,917
Federal aid	730,777		
Property taxes	551,455	165,518	
Franchise fees	439,448		
Sales taxes	4,010,943	206,243	
Fines, forfeitures, and costs	226,546		28,592
Interest	139,863	4,186	6,455
Local permits and fees	101,323		140,646
Sanitation fees	1,804,355		
Rental fees	119,997		
Donations	20,500		5,000
Other	483,367	19,156	
	<u>8,817,449</u>	<u>1,078,769</u>	<u>266,610</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	1,274,432		19,851
Law enforcement	2,366,420		27,863
Highways and streets	234,533	1,191,400	
Public safety	1,048,598		10,838
Sanitation	1,180,101		
Health			139,333
Recreation and culture	879,963		
Economic development	6,521		
Total Current	<u>6,990,568</u>	<u>1,191,400</u>	<u>197,885</u>
Debt Service:			
Financed purchase principal	91,036		31,564
Financed purchase interest	4,434		3,436
	<u>7,086,038</u>	<u>1,191,400</u>	<u>232,885</u>
TOTAL EXPENDITURES			

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

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,731,411</u>	<u>\$ (112,631)</u>	<u>\$ 33,725</u>
OTHER FINANCING SOURCES (USES)			
Community development pay	125,000		
Sales tax remitted to Economic Development Commission	<u>(866,401)</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(741,401)</u>		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	990,010	(112,631)	33,725
FUND BALANCES - JANUARY 1	<u>3,734,831</u>	<u>348,802</u>	<u>693,503</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 4,724,841</u></u>	<u><u>\$ 236,171</u></u>	<u><u>\$ 727,228</u></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, 2024
(UNAUDITED)

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 91,500	\$ 188,875	\$ 97,375	\$ 705,100	\$ 683,666	\$ (21,434)
Federal aid		730,777	730,777			
Property taxes	477,500	551,455	73,955	145,000	165,518	20,518
Franchise fees	414,170	439,448	25,278			
Sales taxes	4,050,100	4,010,943	(39,157)	194,925	206,243	11,318
Fines, forfeitures, and costs	184,900	226,546	41,646			
Interest	104,333	139,863	35,530		4,186	4,186
Local permits and fees	85,200	101,323	16,123			
Sanitation fees	1,799,500	1,804,355	4,855			
Rental fees		119,997	119,997			
Donations		20,500	20,500			
Other	567,610	483,367	(84,243)	500	19,156	18,656
TOTAL REVENUES	7,774,813	8,817,449	1,042,636	1,045,525	1,078,769	33,244
EXPENDITURES						
Current:						
General government	1,299,323	1,274,432	24,891			
Law enforcement	2,564,515	2,366,420	198,095			
Highways and streets		234,533	(234,533)	1,437,995	1,191,400	246,595
Public safety	1,185,085	1,048,598	136,487			
Sanitation	1,362,070	1,180,101	181,969			
Recreation and culture	879,962	879,963	(1)			
Economic development		6,521	(6,521)			
Total Current	7,290,955	6,990,568	300,387	1,437,995	1,191,400	246,595
Debt Service:						
Financed purchase principal	95,470	91,036	4,434			
Financed purchase interest		4,434	(4,434)			
TOTAL EXPENDITURES	7,386,425	7,086,038	300,387	1,437,995	1,191,400	246,595

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, 2024
(UNAUDITED)

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 388,388	\$ 1,731,411	\$ 1,343,023	\$ (392,470)	\$ (112,631)	\$ 279,839
OTHER FINANCING SOURCES (USES)						
Community development pay	125,000	125,000	0			
Sales tax remitted to Economic Development Commission	(873,000)	(866,401)	6,599			
TOTAL OTHER FINANCING SOURCES (USES)	(748,000)	(741,401)	6,599			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(359,612)	990,010	1,349,622	(392,470)	(112,631)	279,839
FUND BALANCES - JANUARY 1	395,624	3,734,831	3,339,207	394,170	348,802	(45,368)
FUND BALANCES - DECEMBER 31	\$ 36,012	\$ 4,724,841	\$ 4,688,829	\$ 1,700	\$ 236,171	\$ 234,471

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

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

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	Online Payments	
ASSETS										
Cash and cash equivalents	\$ 1,860	\$ 81,238	\$ 217,384	\$ 2,046	\$ 6,947	\$ 415,545	\$ 36,390	\$ 76,715	\$ 9,129	\$ 847,254
Accounts receivable				2,208						2,208
TOTAL ASSETS	<u>\$ 1,860</u>	<u>\$ 81,238</u>	<u>\$ 217,384</u>	<u>\$ 4,254</u>	<u>\$ 6,947</u>	<u>\$ 415,545</u>	<u>\$ 36,390</u>	<u>\$ 76,715</u>	<u>\$ 9,129</u>	<u>\$ 849,462</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Settlements pending							\$ 36,390	\$ 76,715	\$ 9,129	\$ 122,234
Fund Balances:										
Restricted	\$ 1,860		\$ 217,384	\$ 4,254	\$ 6,947	\$ 415,545				645,990
Committed		\$ 81,238								81,238
Total Fund Balances	<u>1,860</u>	<u>81,238</u>	<u>217,384</u>	<u>4,254</u>	<u>6,947</u>	<u>415,545</u>				<u>727,228</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,860</u>	<u>\$ 81,238</u>	<u>\$ 217,384</u>	<u>\$ 4,254</u>	<u>\$ 6,947</u>	<u>\$ 415,545</u>	<u>\$ 36,390</u>	<u>\$ 76,715</u>	<u>\$ 9,129</u>	<u>\$ 849,462</u>

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, 2024
 (UNAUDITED)

Schedule 2

SPECIAL REVENUE FUNDS

	Police Drug-Buy	Mosquito Control	Fire Equipment and Training (Act 833)	Court Automation	Drug Abuse Resistance Education	American Rescue Plan Act	Totals
REVENUES							
State aid			\$ 85,917				\$ 85,917
Fines, forfeitures, and costs				\$ 28,592			28,592
Interest			2,025			\$ 4,430	6,455
Local permits and fees		\$ 140,646					140,646
Donations			5,000				5,000
TOTAL REVENUES		<u>140,646</u>	<u>92,942</u>	<u>28,592</u>		<u>4,430</u>	<u>266,610</u>
EXPENDITURES							
Current:							
General government						19,851	19,851
Law enforcement				27,863			27,863
Public safety			10,838				10,838
Health		139,333					139,333
Total Current		<u>139,333</u>	<u>10,838</u>	<u>27,863</u>		<u>19,851</u>	<u>197,885</u>
Debt Service:							
Financed purchase principal			31,564				31,564
Financed purchase interest			3,436				3,436
TOTAL EXPENDITURES		<u>139,333</u>	<u>45,838</u>	<u>27,863</u>		<u>19,851</u>	<u>232,885</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		1,313	47,104	729		(15,421)	33,725
FUND BALANCES - JANUARY 1	\$ 1,860	79,925	170,280	3,525	\$ 6,947	430,966	693,503
FUND BALANCES - DECEMBER 31	<u>\$ 1,860</u>	<u>\$ 81,238</u>	<u>\$ 217,384</u>	<u>\$ 4,254</u>	<u>\$ 6,947</u>	<u>\$ 415,545</u>	<u>\$ 727,228</u>

CITY OF WYNNE, 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>
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 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.
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.
Online Payments	Established to receive online payments for fees due to the city. The revenues shall be disbursed to the designated funds after collection.

CITY OF WYNNE, 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.

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.

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 WYNNE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

1. (Continued)

B. Basis of Accounting – Regulatory (Continued)

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

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

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.

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.

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

1. (Continued)

E. Budget Law (Continued)

- 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 WYNNE, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

2. Details of Fund Balance Classifications

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

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances:			
Restricted for:			
General government			\$ 415,545
Law enforcement			13,061
Public safety			<u>217,384</u>
Total Restricted			<u>645,990</u>
Committed for:			
Health			<u>81,238</u>
Assigned to:			
General government	\$ 31,718		
Law enforcement	10,094		
Highways and streets		\$ 236,171	
Recreation and culture	<u>1,131,856</u>		
Total Assigned	<u>1,173,668</u>	<u>236,171</u>	
Unassigned	<u>3,551,173</u>		
Totals	<u>\$ 4,724,841</u>	<u>\$ 236,171</u>	<u>\$ 727,228</u>

CITY OF WYNNE, 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	\$ 629,382
Leases	212,439
 Total Commitments	 \$ 841,821

Long-term liabilities

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

	December 31, 2024
 <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 (Act 833) Fund.	\$ 155,975
 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.	93,244
Total Direct Borrowings	249,219
 Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	380,163
 Total Long-term liabilities	 \$ 629,382

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 \$249,219 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.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	\$ 267,595
Ending balance compensated absences	380,163
 Net increase (decrease)	 \$ 112,568

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

3. Commitments (Continued)

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, 2024	Maturities to December 31, 2024
<u>Direct Borrowings</u>					
6/18/20	4/1/25	2.70%	\$ 301,875	\$ 155,975	\$ 145,900
10/19/21	10/20/25	2.40%	360,000	93,244	266,756
Total Long-Term Debt			<u>\$ 661,875</u>	<u>\$ 249,219</u>	<u>\$ 412,656</u>

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
<u>Direct Borrowings</u>				
Total Financed purchases	\$ 371,819	\$ 0	\$ 122,600	\$ 249,219

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2024:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2025	\$ 249,219	\$ 2,232	\$ 251,451

Leases

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 \$8,025 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 7, 2024. Terms of the lease are monthly rental payments of \$4,930 for 24 months. At the end of the lease term, the City will return the vehicle.

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

3. Commitments (Continued)

Leases (Continued)

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

Year	December 31, 2024
2025	\$ 163,138
2026	49,301
Total	<u>\$ 212,439</u>

Lease expense for 2024 was \$303,801.

4. 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.

**5. 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 \$406,467 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$234,431 for the year ended December 31, 2024.

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

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

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 \$2,896,871.

6. 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 5.75% as of July 1, 2024. 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, 2024, (date of APERS Employer Allocation Report) was \$193,811.

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, 2024, (actuarial valuation date and measurement date) was \$1,385,610.

7. 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 \$1,932 for the year ended December 31, 2024.

8. City Attorney Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-120 establishes retirement benefits for city attorneys in cities of the first class 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 city attorney at the time of retirement. Retirement benefits are to be paid monthly from the City's General Fund. A city attorney 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 City Attorney Joseph Boeckmann \$8,000 for the year ended December 31, 2024.

CITY OF WYNNE, ARKANSAS
OTHER GENERAL INFORMATION
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(UNAUDITED)

9. 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.

10. Capital Assets

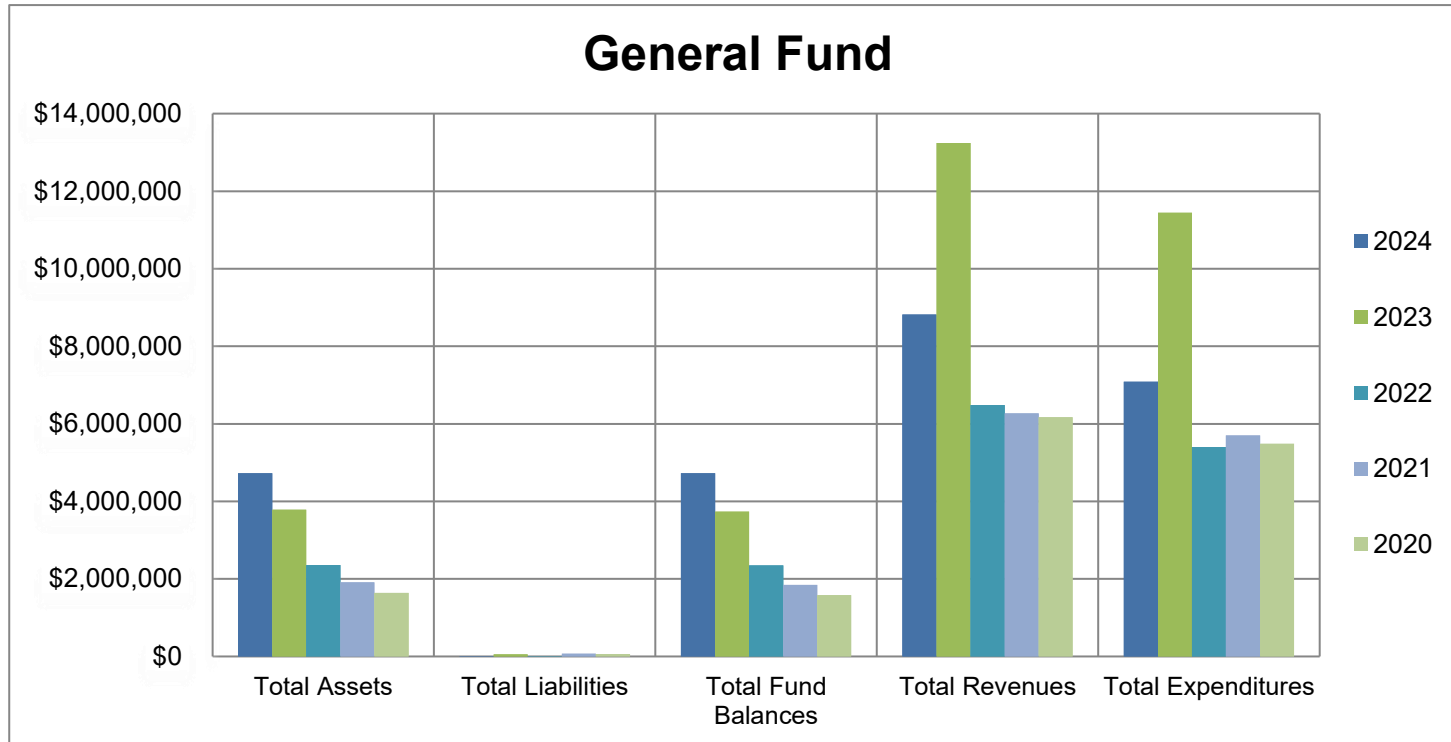
The Municipality's capital assets records are summarized below :

	December 31, 2024
Land	\$ 1,735,818
Buildings	8,075,638
Equipment	<u>4,846,142</u>
Total	<u>\$ 14,657,598</u>

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

Schedule 3-1

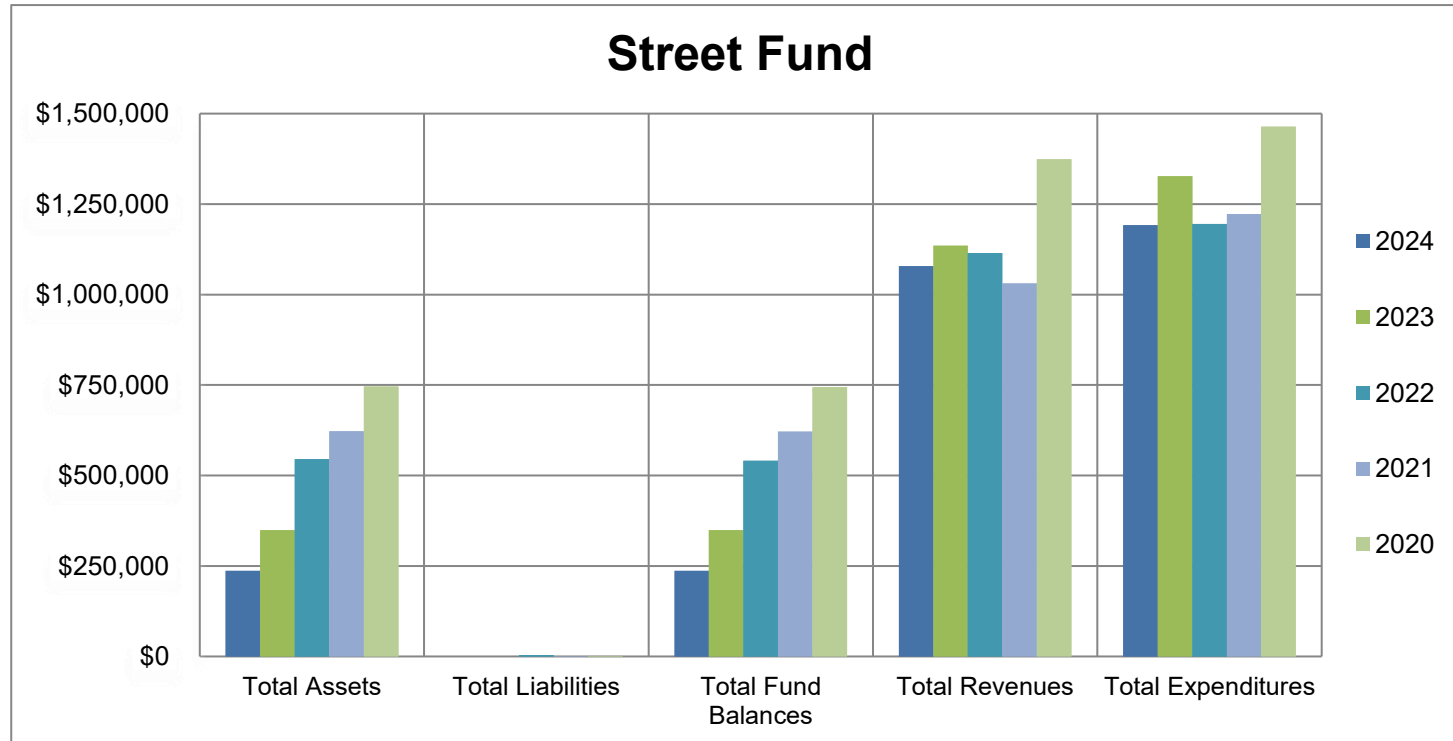
<u>General</u>	2024	2023	2022	2021	2020
Total Assets	\$ 4,729,019	\$ 3,784,898	\$ 2,355,595	\$ 1,910,756	\$ 1,639,470
Total Liabilities	4,178	50,067	6,711	67,342	60,059
Total Fund Balances	4,724,841	3,734,831	2,348,884	1,843,414	1,579,411
Total Revenues	8,817,449	13,241,275	6,484,188	6,272,034	6,167,811
Total Expenditures	7,086,038	11,441,119	5,403,430	5,699,124	5,481,284
Total Other Financing Sources/Uses	(741,401)	(414,209)	(575,288)	(308,907)	(433,010)



CITY OF WYNNE, 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	\$ 236,171	\$ 348,802	\$ 545,291	\$ 621,681	\$ 745,490
Total Liabilities			4,243	124	1,703
Total Fund Balances	236,171	348,802	541,048	621,557	743,787
Total Revenues	1,078,769	1,134,942	1,114,813	1,030,246	1,374,101
Total Expenditures	1,191,400	1,327,188	1,195,322	1,222,668	1,463,972
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, 2024
 (Unaudited)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	2024	2023	2022	2021	2020
Total Assets	\$ 849,462	\$ 829,534	\$ 971,517	\$ 683,065	\$ 355,285
Total Liabilities	122,234	136,031	147,729	85,518	78,387
Total Fund Balances	727,228	693,503	823,788	597,547	276,898
Total Revenues	266,610	303,285	1,057,542	1,062,864	257,817
Total Expenditures	232,885	433,570	831,301	742,215	256,027
Total Other Financing Sources/Uses					

