City of Alma, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF ALMA, ARKANSAS
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Arkansas

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Senate Chair
Sen. Jim Dotson
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Alma, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2024; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; the Statement of Revenues, Expenditures, and Change in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended; and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Alma, Arkansas as of December 31, 2024; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Alma, Arkansas, as of December 31, 2024, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

Other Information

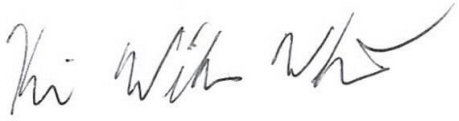
Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Stand*ards, we have also issued our report dated August 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 21, 2025
LOM100124

Arkansas

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

Rep. Robin Lundstrum
House Chair
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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Alma, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated August 21, 2025. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

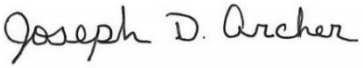
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the City in a separate letter dated August 21, 2025.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 21, 2025

Arkansas

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Senate Chair
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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

Mayor: Jim Fincher
City Clerk/Treasurer: Amy Nelson
Director of Finance: Ronda Teague
District Court Clerk: Alex Layne (appointed June 17, 2024; resigned November 12, 2024)
Whitney Woodward (resigned April 19, 2024)
Police Chief: Jeff Pointer

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT
Joseph D. Archer

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 21, 2025

CITY OF ALMA, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2024

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 2,998,474	$ 2,088,379	$ 19,474,248
Investments			757,487
Accounts receivable	286,628	42,459	201,077
TOTAL ASSETS	$ 3,285,102	$ 2,130,838	$ 20,432,812
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 16,572	$ 7,930	$ 12,600
Settlements pending			48,087
Total Liabilities	16,572	7,930	60,687
Fund Balances:			
Restricted	51,007	345,580	20,372,125
Committed	204,470	1,777,328	
Assigned	1,679,996		
Unassigned	1,333,057		
Total Fund Balances	3,268,530	2,122,908	20,372,125
TOTAL LIABILITIES AND FUND BALANCES	$ 3,285,102	$ 2,130,838	$ 20,432,812

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

CITY OF ALMA, ARKANSAS

Exhibit B

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 86,626	$ 478,994	$ 40,082
Federal aid	60,324		363,007
Property taxes	257,653	124,669	33,776
Franchise fees	308,834		
Sales taxes	1,941,352	547,296	2,299,402
Fines, forfeitures, and costs	178,546		5,093
Interest	89,106	48,101	867,640
Local permits and fees	104,599		
Sanitation fees	325,231		
Advertising and promotion taxes			321,941
Park fees	446,816		
School resource officer program	187,502		
Net increase/(decrease) in fair value of investments			61,780
Other	67,497	116,128	
TOTAL REVENUES	4,054,086	1,315,188	3,992,721
EXPENDITURES			
Current:			
General government	775,855		74,267
Law enforcement	2,177,650		277,249
Highways and streets		961,069	2,627
Public safety	189,720		187,503
Sanitation	243,088		
Recreation and culture	678,385		
Social services	15,126		363,007
Advertising and promotion			224,757
Water and sewer			57,547
Total Current	4,079,824	961,069	1,186,957
Debt Service:			
Bond principal			305,000
Bond interest and other charges			688,520
TOTAL EXPENDITURES	4,079,824	961,069	2,180,477
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,738)	354,119	1,812,244
FUND BALANCES - JANUARY 1	3,294,268	1,768,789	18,559,881
FUND BALANCES - DECEMBER 31	$ 3,268,530	$ 2,122,908	$ 20,372,125

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

CITY OF ALMA, ARKANSAS

Exhibit C

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

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 80,000	$ 86,626	$ 6,626	$ 458,769	$ 478,994	$ 20,225
Federal aid		60,324	60,324			
Property taxes	140,000	257,653	117,653	105,938	124,669	18,731
Franchise fees	330,800	308,834	(21,966)			
Sales taxes	1,935,000	1,941,352	6,352	486,677	547,296	60,619
Fines, forfeitures, and costs	200,000	178,546	(21,454)			
Interest	4,900	89,106	84,206		48,101	48,101
Local permits and fees	77,000	104,599	27,599			
Sanitation fees	285,000	325,231	40,231			
Park fees	338,000	446,816	108,816			
School resource officer program		187,502	187,502			
Other	401,700	67,497	(334,203)		116,128	116,128
TOTAL REVENUES	3,792,400	4,054,086	261,686	1,051,384	1,315,188	263,804
EXPENDITURES						
Current:						
General government	2,149,641	775,855	1,373,786			
Law enforcement	2,146,269	2,177,650	(31,381)			
Highways and streets				1,750,595	961,069	789,526
Public safety	196,636	189,720	6,916			
Sanitation		243,088	(243,088)			
Recreation and culture	262,053	678,385	(416,332)			
Social services	15,126	15,126	0			
TOTAL EXPENDITURES	4,769,725	4,079,824	689,901	1,750,595	961,069	789,526
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(977,325)	(25,738)	951,587	(699,211)	354,119	1,053,330
FUND BALANCES - JANUARY 1	3,294,268	3,294,268	0	1,768,789	1,768,789	0
FUND BALANCES - DECEMBER 31	$ 2,316,943	$ 3,268,530	$ 951,587	$ 1,069,578	$ 2,122,908	$ 1,053,330

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Alma was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Water and Sewer. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. Basis of Presentation – Regulatory

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

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

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

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

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

Street Fund - The Street Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Street Fund accounts for and reports the proceeds of state highway turnback, 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. See Schedules 1 and 2 for Special Revenue Funds as 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. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

Pension Trust Funds – Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for the Pension Trust Fund reported with other funds in the aggregate.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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

C. Basis of Accounting – Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and money market accounts, and certificates of deposit with an original maturity of three months or less.

Investments

Investments are reported at fair value.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Fund Balances (Continued)

Fund Balance Classifications (Continued)

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

F. Budget Law

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

a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

b. The proposed budget is discussed at a City Council meeting prior to adoption.

c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.

d. Appropriations lapse at the end of each year.

e. Under certain conditions, the budget may be amended subsequent to the year-end.

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

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds except for the Fire Equipment and Training (Act 833) Fund and District Court Automation Fund.

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 816,150	$ 816,150
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	5,616,385	5,827,203
Uninsured and uncollateralized	18,076,197	18,076,197
Total Deposits	$ 24,508,732	$ 24,719,550

The above total deposits do not include cash on hand of $52,369.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2024, $18,076,197 of the City's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized in the City's name.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

Pension Trust Funds

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed $100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2024 Fair Value
Firemen's Pension Trust	$ 757,487

Investments are reported at fair value. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III –** significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

The City's investments are composed of the following:

December 31, 2024 Investment Type	Quoted Prices in Active Markets for Identical Investments Level I
Mutual funds	$ 757,487

The fair value of mutual funds is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources.

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Franchise fees	$ 34,929		
Sales taxes	168,892	$ 42,459	$ 201,077
Fines, forfeitures, and costs	5,575		
Sanitation fees	27,055		
School resource officer program	50,177		
Totals	$ 286,628	$ 42,459	$ 201,077

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	$ 16,572	$ 7,930	$ 12,600

NOTE 7: 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:			
General government			$ 130,216
Law enforcement			23,440
Highways and streets		$ 345,580	
Public safety			100,728
Recreation and culture	$ 51,007		
Advertising and promotion			998,086
Pension benefits			811,842
Capital outlay			16,428,811
Debt service			1,879,002
Total Restricted	51,007	345,580	20,372,125
Committed for:			
Highways and streets		1,777,328	
Public safety	204,470		
Total Committed	204,470	1,777,328	
Assigned to:			
General government	700,765		
Law enforcement	214,102		
Public safety	315,930		
Recreation and culture	449,199		
Total Assigned	1,679,996		
Unassigned	1,333,057		
Totals	$ 3,268,530	$ 2,122,908	$ 20,372,125

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2024, the legal debt limit for the bonded debt was $17,139,649. There were no property tax secured bond issues.

NOTE 8: Legal Debt Limit (Continued)

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2024, the legal debt limit for short-term financing obligations was $4,476,352. There were no short-term financing obligations.

NOTE 9: Commitments

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

	December 31, 2024
Long-term liabilities	$ 21,243,197

Long-term liabilities

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

	December 31, 2024
Bonds	
Sales and Use Tax Refunding Bond - Series 2010 for refunding the Sales and Use Tax Bond - 2005 for street improvements, dated November 1, 2010, principal amount of $3,010,000, due in 15 annual payments of $20,000-$265,000 from August 1, 2011 through August 1, 2025. Interest from 2.00% - 3.95%, which is due semi-annually. Payments to be made from the Sales and Use Tax Bond Series 2010 Street Improvements Debt Service Fund.	$ 265,000
Sales and Use Tax Bond - Series 2017 for financing the cost of capital improvements, dated September 26, 2017, principal amount of $5,100,000, due in annual installments of $55,000 - $465,000 plus interest through August 1, 2037. Interest from 1.75% - 3.5%. Payments to be made from the Sales and Use Tax Bond Series 2017 Debt Service Fund.	4,735,000
Sales and Use Tax Bond - Series 2023 for the purpose of capital improvements, dated December 21, 2023, principal amount of $16,150,000 due in annual installments of $375,000 - $1,190,000 plus interest through March 1, 2044. Interest from 4.125% - 5.00%. Payments to be made from the Sales and Use Tax Bond Series 2023 Debt Service Fund.	16,150,000
Total Bonds	21,150,000
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	93,197
Total Long-term liabilities	$ 21,243,197

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

The City's outstanding bonds payable of $21,150,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

NOTE 9: Commitments (Continued)

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	$ 104,464
Ending balance compensated absences	93,197
Net increase (decrease)	$ (11,267)

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
Bonds					
11/1/10	8/1/25	2-3.95%	$ 3,010,000	$ 265,000	$ 2,745,000
9/26/17	8/1/37	1.75-3.5%	5,100,000	4,735,000	365,000
12/21/23	3/1/44	4.125-5.0%	16,150,000	16,150,000	
Total Long-Term Debt			$ 24,260,000	$ 21,150,000	$ 3,110,000

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Bonds payable	$ 21,455,000	$ 0	$ 305,000	$ 21,150,000

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds Principal	Interest	Total
2025	$ 690,000	$ 951,074	$ 1,641,074
2026	865,000	846,090	1,711,090
2027	890,000	810,178	1,700,178
2028	925,000	773,009	1,698,009
2029	970,000	731,921	1,701,921
2030 through 2034	5,525,000	2,973,169	8,498,169
2035 through 2039	5,815,000	1,719,553	7,534,553
2040 through 2044	5,470,000	593,250	6,063,250
Totals	$ 21,150,000	$ 9,398,244	$ 30,548,244

NOTE 10: Pledged Revenues

The City pledged future one half cent sales and use taxes to repay $3,010,000 in bonds that were issued in 2010 to refund bonds issued in 2005 to provide funding for improvements to the City's streets. Total principal and interest remaining on the bonds are $265,000 and $10,468 respectively, payable through August 1, 2025. For 2024, principal payments paid were $250,000 and interest and other charges were $23,342. The Debt Service Fund received $253,061 in sales taxes in 2024. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

The City pledged future 1% sales and use taxes to repay $5,100,000 in bonds that were issued in 2017 for the purpose of financing all or a portion of the cost of capital improvements related to Street and Drainage Projects. The pledge of revenues is on parity with the pledge of pledged revenues in favor of the City's Sales and Use Tax Refunding Bonds, Series 2010. Total principal and interest remaining on the bonds are $4,735,000 and $1,251,481, respectively, payable through August 1, 2037. For 2024, principal payments paid were $55,000 and interest and other charges were $159,369. The Debt Service Fund received $214,369 in sales taxes in 2024. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

The City pledged future 1% sales and use taxes to repay $16,150,000 in bonds that were issued in 2023 for the purpose of financing all or a portion of the cost of capital improvements related to streets, drainage, park and recreational facilities, fire, police, water and sewer. Total principal and interest remaining on the bonds are $16,150,000 and $8,136,295 respectively, payable through March 1, 2044. For 2024, there were no principal payments made and interest and service fee payments paid were $505,809. The Debt Service Fund received $1,831,972 in sales taxes in 2024. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used to redeem bonds prior to maturity.

NOTE 11: Jointly Governed Organizations

West River Valley Solid Waste Management District

Conway, Crawford, Franklin, Johnson, Logan, Perry, Pope, Scott, and Yell Counties, and the Cities of Van Buren, Ozark, Atkins, Booneville, Alma, Clarksville, Russellville, Paris, Charleston, Morrilton, Waldron, and Dardanelle entered into an agreement in 1991 to form the West River Valley Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-708. The City did not provide any funding for the District. Separate financial statements may be obtained at: 24087 Highway 164, Clarksville, AR 72830.

Twelfth Judicial District Drug Task Force

The Prosecuting Attorneys of the Twelfth Judicial District and the Twenty-First Judicial District, the Sebastian and Crawford County 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 Prosecuting Attorney's Offices, local sheriffs' departments, and local police departments. The City has not provided any funding to the Twelfth Judicial District Drug Task Force. Separate financial statements for the Twelfth Judicial District Drug Task Force are available at: 901 South B Street, Fort Smith, AR 72901.

NOTE 12: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

NOTE 12: Risk Management (Continued)

Municipal Vehicle Program

A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: $25,000 because of bodily injury to or death of one person in any one accident; $50,000 because of bodily injury to or death of two or more persons in any one accident; and $25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.

B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of $1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of $5,000, or in the case of flood or earthquake, $100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed or the judgment becomes final, or $1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first $3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of $300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a $2,500 deductible per occurrence.

NOTE 13: Firemen's Pension and Relief Plan

Plan Description

The Firemen's Pension and Relief Plan is a single-employer defined benefit pension plan that covers municipal firemen employed prior to January 1, 1983. The plan, administered by the City, provides retirement, disability, and survivor benefits. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. State law does provide that upon actuarial soundness of the plan, the Board may increase retirement benefits. The plan was closed to new entrants on January 1, 1983. The plan does not issue a stand-alone financial report but is included in the City's financial report.

NOTE 13: Firemen's Pension and Relief Plan (Continued)

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of $12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was $33,776 for the year ended December 31, 2024. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. Based on the December 31, 2024, actuarial valuation, the plan has a net pension liability of $0.

NOTE 14: 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.

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 $17,406 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $15,552 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 $133,953.

NOTE 15: 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.

NOTE 15: Arkansas Public Employees Retirement System (Continued)

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 $236,513.

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 $1,690,895.

CITY OF ALMA, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS	
	Advertising and Promotion	Asset Forfeiture (Police ESA)	Fire Equipment and Training (Act 833)	District Court Automation	American Rescue Plan Act	2017 Sales and Use Tax - Street and Drainage Improvements	2023 Sales and Use Tax - Improvements
ASSETS							
Cash and cash equivalents	$ 1,010,686	$ 7,761	$ 100,728	$ 15,679	$ 130,216	$ 10	$ 16,428,801
Investments							
Accounts receivable							
TOTAL ASSETS	$ 1,010,686	$ 7,761	$ 100,728	$ 15,679	$ 130,216	$ 10	$ 16,428,801
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 12,600						
Settlements pending							
Total Liabilities	12,600						
Fund Balances:							
Restricted	998,086	$ 7,761	$ 100,728	$ 15,679	$ 130,216	$ 10	$ 16,428,801
TOTAL LIABILITIES AND FUND BALANCES	$ 1,010,686	$ 7,761	$ 100,728	$ 15,679	$ 130,216	$ 10	$ 16,428,801

CITY OF ALMA, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

	DEBT SERVICE FUNDS			TRUST FUND	CUSTODIAL FUNDS		
	Hotel and Restaurant Gross Receipts Tax Refunding Bond	Sales and Use Tax Bond - Series 2010 Street Improvements	Sales and Use Tax Bond - Series 2023	Firemen's Pension	Administration of Justice	Police Bond and Fine	Totals
ASSETS							
Cash and cash equivalents	$ 30,539	$ 464,500	$ 1,182,886	$ 54,355	$ 1,218	$ 46,869	$ 19,474,248
Investments				757,487			757,487
Accounts receivable		38,750	162,327				201,077
TOTAL ASSETS	$ 30,539	$ 503,250	$ 1,345,213	$ 811,842	$ 1,218	$ 46,869	$ 20,432,812
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							$ 12,600
Settlements pending					$ 1,218	$ 46,869	48,087
Total Liabilities					1,218	46,869	60,687
Fund Balances:							
Restricted	$ 30,539	$ 503,250	$ 1,345,213	$ 811,842			20,372,125
TOTAL LIABILITIES AND FUND BALANCES	$ 30,539	$ 503,250	$ 1,345,213	$ 811,842	$ 1,218	$ 46,869	$ 20,432,812

CITY OF ALMA, ARKANSAS

Schedule 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS	
	Advertising and Promotion	Asset Forfeiture (Police ESA)	Fire Equipment and Training (Act 833)	District Court Automation	American Rescue Plan Act	Senior Inn Grant	2017 Sales and Use Tax - Street and Drainage Improvements	2023 Sales and Use Tax - Improvements
REVENUES								
State aid			$ 36,688					
Federal aid						$ 363,007		
Property taxes								
Sales taxes								
Fines, forfeitures, and costs		$ 300		$ 4,793				
Interest	$ 30,362	222	3,518	440	$ 5,040		$ 36	$ 743,967
Advertising and promotion taxes	321,941							
Net increase/(decrease) in fair value of investments								
TOTAL REVENUES	352,303	522	40,206	5,233	5,040	363,007	36	743,967
EXPENDITURES								
Current:								
General government					74,267			
Law enforcement				1,337				275,912
Highways and streets							2,627	
Public safety			71,390		8,280			29,225
Social services						363,007		
Advertising and promotion	224,757							
Water and sewer								57,547
Total Current	224,757		71,390	1,337	82,547	363,007	2,627	362,684
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	224,757		71,390	1,337	82,547	363,007	2,627	362,684
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	127,546	522	(31,184)	3,896	(77,507)		(2,591)	381,283
FUND BALANCES - JANUARY 1	870,540	7,239	131,912	11,783	207,723		2,601	16,047,518
FUND BALANCES - DECEMBER 31	$ 998,086	$ 7,761	$ 100,728	$ 15,679	$ 130,216	$ 0	$ 10	$ 16,428,801

CITY OF ALMA, ARKANSAS

Schedule 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	DEBT SERVICE FUNDS				TRUST FUND	
	Hotel and Restaurant Gross Receipts Tax Refunding Bond	Sales and Use Tax Bond - Series 2010 Street Improvements	Sales and Use Tax Bond - Series 2017	Sales and Use Tax Bond - Series 2023	Firemen's Pension	Totals
REVENUES						
State aid					$ 3,394	$ 40,082
Federal aid						363,007
Property taxes					33,776	33,776
Sales taxes		$ 253,061	$ 214,369	$ 1,831,972		2,299,402
Fines, forfeitures, and costs						5,093
Interest	$ 37	21,872		19,050	43,096	867,640
Advertising and promotion taxes						321,941
Net increase/(decrease) in fair value of investments					61,780	61,780
TOTAL REVENUES	37	274,933	214,369	1,851,022	142,046	3,992,721
EXPENDITURES						
Current:						
General government						74,267
Law enforcement						277,249
Highways and streets						2,627
Public safety					78,608	187,503
Social services						363,007
Advertising and promotion						224,757
Water and sewer						57,547
Total Current					78,608	1,186,957
Debt Service:						
Bond principal		250,000	55,000			305,000
Bond interest and other charges		23,342	159,369	505,809		688,520
TOTAL EXPENDITURES		273,342	214,369	505,809	78,608	2,180,477
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	37	1,591		1,345,213	63,438	1,812,244
FUND BALANCES - JANUARY 1	30,502	501,659			748,404	18,559,881
FUND BALANCES - DECEMBER 31	$ 30,539	$ 503,250	$ 0	$ 1,345,213	$ 811,842	$ 20,372,125

CITY OF ALMA, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

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

Fund Name	Fund Description
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Asset Forfeiture (Police ESA)	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.
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.
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.
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.
Senior Inn Grant	Established to receive and disburse Senior Inn grant funds for kitchen remodel and related administrative costs.
2017 Sales and Use Tax - Street and Drainage Improvements	Alma Ordinance no. 2017-19 (August 17, 2017) authorized the issuance of sales and use tax bonds, Series 2017 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2023 Sales and Use Tax - Improvements	Alma Ordinance 2023-14 (November 16, 2023) authorized the issuance of sales and use tax bonds, Series 2023 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Hotel and Restaurant Gross Receipts Tax Refunding Bond	Alma Ordinance no. 2004-09 (September 16, 2004) authorized this fund for the payment of principal of and interest on the bonds as they become due at maturity or at redemption prior to maturity.

CITY OF ALMA, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

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

Fund Name	Fund Description
Sales and Use Tax Bond - Series 2010 Street Improvements	Alma Ordinance no. 2010-11 (October 7, 2010) authorized the issuance of sales and use tax refunding bonds, Series 2010 for the purpose of refunding sales and use tax bond, Series 2005, and for the payment of principal of and interest on bonds as they become due at maturity or at redemption prior to maturity and other matters relating thereto.
Sales and Use Tax Bond - Series 2017	Alma Ordinance no. 2017-19 (August 17, 2017) authorized the issuance of sales and use tax bond, Series 2017 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Sales and Use Tax Bond - Series 2023	Alma Ordinance 2023-14 (November 16, 2023) authorized the issuance of sales and use tax bonds, Series 2023 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
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 Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.

Schedule 3

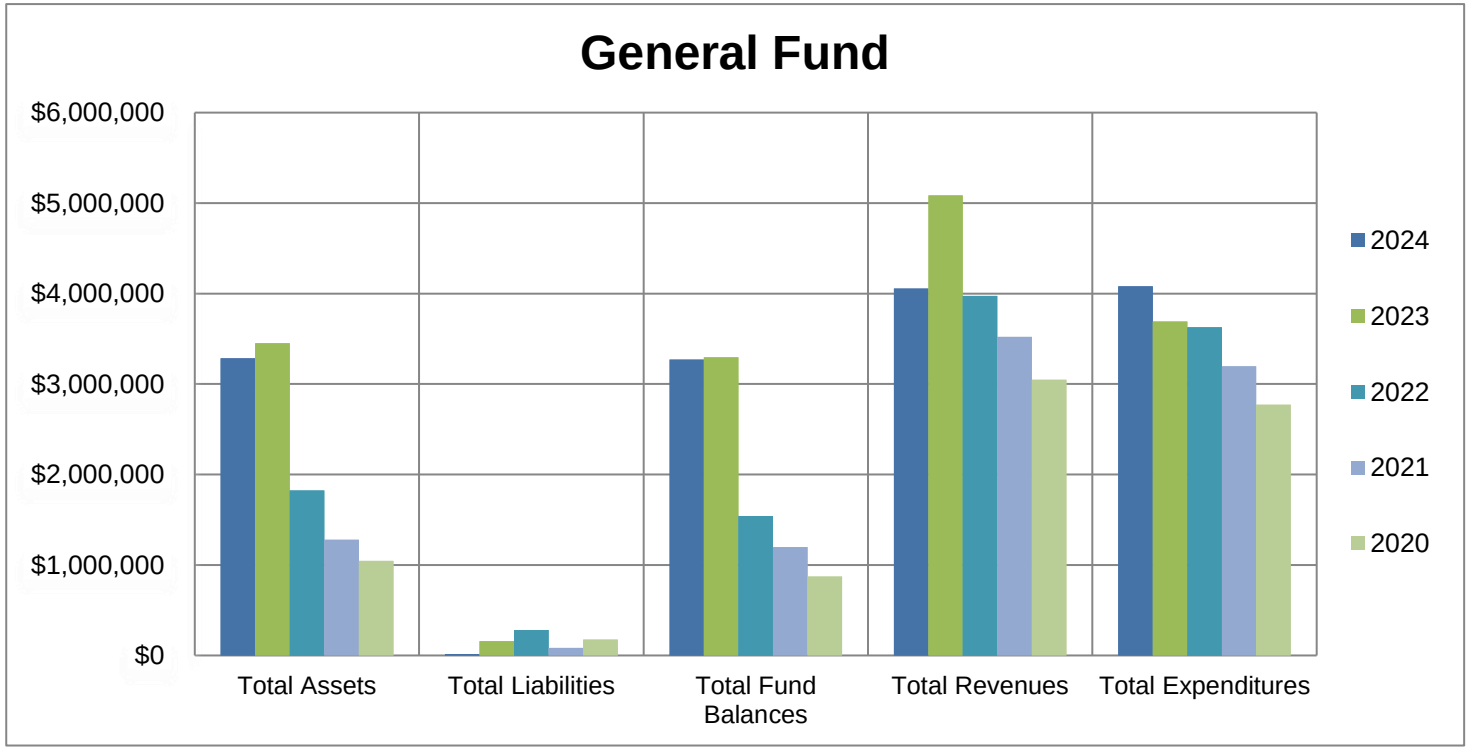
CITY OF ALMA, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2024
(Unaudited)

	December 31, 2024
Land	$ 1,395,244
Buildings and improvements	6,907,406
Equipment and vehicles	6,800,157
Total	$ 15,102,807

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

Schedule 4-1

General	2024	2023	2022	2021	2020
Total Assets	$ 3,285,102	$ 3,450,466	$ 1,824,275	$ 1,279,601	$ 1,044,602
Total Liabilities	16,572	156,198	282,423	83,190	173,645
Total Fund Balances	3,268,530	3,294,268	1,541,852	1,196,411	870,957
Total Revenues	4,054,086	5,084,225	3,973,896	3,522,143	3,046,758
Total Expenditures	4,079,824	3,692,588	3,628,455	3,196,689	2,770,688
Total Other Financing Sources/Uses		360,779			



CITY OF ALMA, ARKANSAS

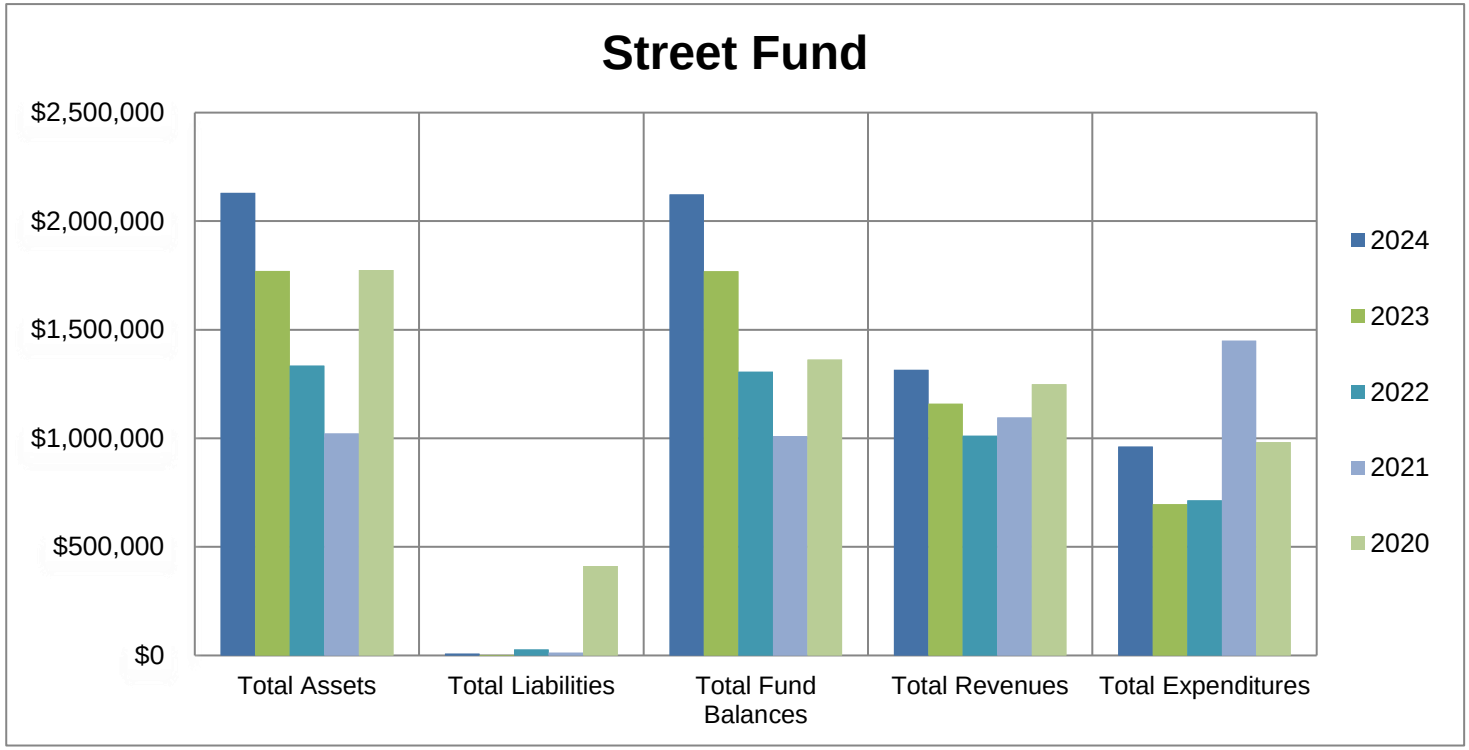
Schedule 4-2

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS

DECEMBER 31, 2024

(Unaudited)

Street	2024	2023	2022	2021	2020
Total Assets	$ 2,130,838	$ 1,771,392	$ 1,333,804	$ 1,021,823	$ 1,775,531
Total Liabilities	7,930	2,603	27,139	12,042	412,357
Total Fund Balances	2,122,908	1,768,789	1,306,665	1,009,781	1,363,174
Total Revenues	1,315,188	1,158,965	1,011,517	1,096,224	1,249,279
Total Expenditures	961,069	696,841	714,633	1,449,617	981,850
Total Other Financing Sources/Uses					



CITY OF ALMA, ARKANSAS

Schedule 4-3

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

DECEMBER 31, 2024

(Unaudited)

Other Funds in the Aggregate	2024	2023	2022	2021	2020
Total Assets	$ 20,432,812	$ 18,614,856	$ 4,468,518	$ 4,581,894	$ 3,768,581
Total Liabilities	60,687	54,975	55,631	35,346	43,573
Total Fund Balances	20,372,125	18,559,881	4,412,887	4,546,548	3,725,008
Total Revenues	3,992,721	1,774,334	3,223,682	3,296,129	2,480,332
Total Expenditures	2,180,477	3,324,836	3,357,343	2,474,589	4,665,321
Total Other Financing Sources/Uses		15,697,496			

