City of Carlisle, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

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

Independent Auditor's Report
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*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Street Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	4-3

Arkansas

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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Carlisle, 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 Carlisle, 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 Carlisle, 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 Carlisle, 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 other funds 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, these funds are not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 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
December 10, 2025
LOM101824

Arkansas

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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

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 Carlisle, 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 Carlisle, 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 December 10, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as items 2024-1 and 2024-2, that we consider to be material weaknesses.

2024-1 Arkansas Code requires City management to maintain financial records. The 2024 financial records contained omissions/errors that are considered material, as specified below:

The General Fund financial records contained misstatements in assets, liabilities, fund balance, revenues, expenditures, and note disclosures in the amounts of $235,205, $115,951, $20,858, $298,421, $302,127, and $366,308, respectively, due to posting errors and unrecorded transactions.

The Other Funds in the Aggregate financial records contained misstatements in assets, revenues, expenditures, and note disclosures in the amounts of $163,166, $112,320, $59,703, and $172,869, respectively, due to posting errors and unrecorded transactions.

A similar finding was noted in the previous five reports dating back to 2018.

The effect of these omissions/errors constitutes a control deficiency in the process of preparing financial statements. City management should implement procedures to ensure financial records are properly posted.

Report on Internal Control Over Financial Reporting (Continued)

The City of Carlisle agrees with finding 2024-1 and has taken corrective measures as outlined in the following paragraph:

The City of Carlisle has implemented new revenue codes to improve coding accuracy and has reinforced to staff the critical importance of posting accuracy.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the Report on Internal Control over Financial Reporting section as item 2024-1 and in this section as 2024-2.

2024-2 2 CFR § 200.501 requires City management to obtain a federal compliance audit when federal expenditures exceed $750,000.

The City had federal expenditures in excess of $750,000 in 2017 and 2022 but, due to management oversight, did not obtain federal compliance audits as required. The City could be responsible for repayment of federal expenditures if instances of noncompliance are noted during a federal compliance audit. We recommend the City obtain federal compliance audits for each of the respective years. A similar finding was noted in the previous six reports dating back to 2017.

The City of Carlisle agrees with finding 2024-2 and has taken corrective measures as outlined in the following paragraph:

The City of Carlisle has hired Landmark CPAs to complete the federal compliance audits for 2017 and 2022. An engagement letter for the 2017 federal compliance audit was signed on September 22, 2025. The 2022 federal compliance engagement will begin upon completion of the 2017 federal compliance engagement.

We also reported to management of the City in a separate letter dated December 10, 2025.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described previously. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Joseph D. Archer, CPA
Deputy Legislative
Auditor

Little Rock, Arkansas
December 10, 2025

Arkansas

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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

City of Carlisle, 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: Ray Glover
City Clerk/Treasurer: Sissy Ingle
District Court Clerk: Kari Cook
Police Chief: Eric Frank

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
December 10, 2025

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 376,920	$ 111,078	$ 379,849
Accounts receivable	130,799	5,992	24,378
Due from water department	61,878	104,462	
Interfund receivables	7,470		
TOTAL ASSETS	$ 577,067	$ 221,532	$ 404,227
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 54,955	$ 2,252	$ 1,409
Interfund payables		4,564	2,906
Settlements pending			6,627
Total Liabilities	54,955	6,816	10,942
Fund Balances:			
Restricted	22,068	214,716	382,571
Committed	117,889		
Assigned			10,714
Unassigned	382,155		
Total Fund Balances	522,112	214,716	393,285
TOTAL LIABILITIES AND FUND BALANCES	$ 577,067	$ 221,532	$ 404,227

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

CITY OF CARLISLE, 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	$ 30,590	$ 167,175	$ 24,150
Federal aid	16,400	30,423	78,871
Property taxes	154,083	29,320	
Franchise fees	101,595		
Sales taxes	832,745		338,960
Fines, forfeitures, and costs	56,390		2,301
Interest	10,773	2,672	7,912
Local permits and fees	14,330	2,802	801
Sanitation fees	100,931	89,116	
Mosquito fees	60,902		
Reimburse law enforcement	70,398		
Farm rent			37,100
Fuel sales			110,768
Hangar rent			106,370
Other	83,336	1,211	487
TOTAL REVENUES	1,532,473	322,719	707,720
EXPENDITURES			
Current:			
General government	326,890		
Law enforcement	1,005,288		4,221
Highways and streets	11	279,638	
Public safety	69,138		36,309
Sanitation	117,967		
Health	59,463		
Recreation and culture	176,292		9,324
Social services	9,217		
Airport			263,863
Total Current	1,764,266	279,638	313,717
Debt Service:			
Bond principal			145,000
Bond interest and other charges			21,739
Financed purchase principal	23,546		7,352
Financed purchase interest	4,154		2,351
TOTAL EXPENDITURES	1,791,966	279,638	490,159

CITY OF CARLISLE, 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
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (259,493)	$ 43,081	$ 217,561
OTHER FINANCING SOURCES (USES)			
Transfers in	170,453		20,000
Transfers out	(20,000)		(170,453)
Loan proceeds	57,590		
TOTAL OTHER FINANCING SOURCES (USES)	208,043		(150,453)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(51,450)	43,081	67,108
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	612,057	178,709	276,162
Restatement adjustment (Note 11)	(38,495)	(7,074)	50,015
FUND BALANCES - JANUARY 1, AS RESTATED	573,562	171,635	326,177
FUND BALANCES - DECEMBER 31	$ 522,112	$ 214,716	$ 393,285

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

CITY OF CARLISLE, 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	$ 179,254	$ 30,590	$ (148,664)	$ 172,000	$ 167,175	$ (4,825)
Federal aid		16,400	16,400		30,423	30,423
Property taxes	138,000	154,083	16,083	25,000	29,320	4,320
Franchise fees	96,000	101,595	5,595			
Sales taxes	793,860	832,745	38,885	35,000		(35,000)
Fines, forfeitures, and costs	67,730	56,390	(11,340)			
Interest	3,034	10,773	7,739	250	2,672	2,422
Local permits and fees	8,800	14,330	5,530		2,802	2,802
Sanitation fees	82,000	100,931	18,931		89,116	89,116
Mosquito fees	68,250	60,902	(7,348)			
Reimburse law enforcement		70,398	70,398			
Other	74,270	83,336	9,066	2,500	1,211	(1,289)
TOTAL REVENUES	1,511,198	1,532,473	21,275	234,750	322,719	87,969
EXPENDITURES						
Current:						
General government	416,922	326,890	90,032			
Law enforcement	1,050,104	1,005,288	44,816			
Highways and streets		11	(11)	321,750	279,638	42,112
Public safety	100,322	69,138	31,184			
Sanitation	91,000	117,967	(26,967)			
Health	73,110	59,463	13,647			
Recreation and culture	27,510	176,292	(148,782)			
Social services	10,900	9,217	1,683			
Total Current	1,769,868	1,764,266	5,602	321,750	279,638	42,112
Debt Service:						
Financed purchase principal		23,546	(23,546)			
Financed purchase interest		4,154	(4,154)			
TOTAL EXPENDITURES	1,769,868	1,791,966	(22,098)	321,750	279,638	42,112

CITY OF CARLISLE, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (258,670)	$ (259,493)	$ (823)	$ (87,000)	$ 43,081	$ 130,081
OTHER FINANCING SOURCES (USES)						
Transfers in		170,453	170,453			
Transfers out		(20,000)	(20,000)			
Proceeds from loan	68,000	57,590	(10,410)			
TOTAL OTHER FINANCING SOURCES (USES)	68,000	208,043	140,043			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(190,670)	(51,450)	139,220	(87,000)	43,081	130,081
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	239,455	612,057	372,602	87,000	178,709	91,709
Restatement adjustment (Note 11)		(38,495)	(38,495)		(7,074)	(7,074)
FUND BALANCES - JANUARY 1, AS RESTATED	239,455	573,562	334,107	87,000	171,635	84,635
FUND BALANCES - DECEMBER 31	$ 48,785	$ 522,112	$ 473,327	$ 0	$ 214,716	$ 214,716

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 Carlisle 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 funds of the City would have been included in the reporting entity: Water and Sewer. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are 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 sanitation fees 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.

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 the Debt Service Fund as reported with other funds in the aggregate.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting – Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and money market accounts.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).

3. Assigned fund balance - amounts that are constrained by the City Council’s intent to be used for specific purposes but are neither restricted nor committed.

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

E. Property Taxes

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

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

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

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

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

d. Appropriations lapse at the end of each year.

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

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Bank Balance
Insured (FDIC)	$ 368,736
Collateralized:	
Collateral held by the pledging financial institution's trust department or agent in the City's name	341,907
Uninsured and uncollateralized	167,048
Total Deposits	$ 877,691

The above total deposits do not include cash on hand of $300.

NOTE 2: Cash Deposits with Financial Institutions (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a formal deposit policy for custodial credit risk. As of December 31, 2024, $167,048 of the City's bank balances were exposed to custodial credit risk. The balance exposed to custodial credit risk was deposited in money market accounts consisting of federated treasury obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid			$ 150
Property taxes	$ 29,964	$ 5,702	
Franchise fees	50		
Sales taxes	62,183		23,728
Fines, forfeitures, and costs	7,616		
Local permits and fees	400		
Hangar rent			500
Other	30,586	290	
Totals	$ 130,799	$ 5,992	$ 24,378

NOTE 5: 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	$ 39,042	$ 2,252	$ 1,409
Payroll taxes payable	15,913		
Totals	$ 54,955	$ 2,252	$ 1,409

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2024	
	Interfund Receivables	Interfund Payables
General Fund	$ 7,470	
Street Fund		$ 4,564
Other Funds in the Aggregate:		
Special Revenue Funds:		
Airport		2,906
Totals	$ 7,470	$ 7,470

Interfund receivables and payables consist of payroll expenditures of the Street and Airport Funds paid for by the General Fund. These balances were repaid in January 2025.

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	$ 22,068		
Law enforcement			$ 26,562
Highways and streets		$ 214,716	
Public safety			26,189
Airport			139,552
Debt service			190,268
Total Restricted	22,068	214,716	382,571
Committed for:			
General government	117,889		
Assigned to:			
Recreation and culture			10,714
Unassigned	382,155		
Totals	$ 522,112	$ 214,716	$ 393,285

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 $5,924,751. 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 $1,612,147. The amount of short-term financing obligations was $123,616 leaving a legal debt margin of $1,488,531.

NOTE 9: Commitments

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

	December 31, 2024
Long-term liabilities	$ 812,615

Long-term liabilities

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

	December 31, 2024
Bonds	
Sales and Use Tax Refunding Bonds, Series 2017, dated May 23, 2017, in the amount of $1,500,000, due in annual installments of $55,000 - $160,000 plus interest through January 1, 2028; interest ranging from 1.5% - 3.15%. Payments are to be made from the 2017 Sales and Use Tax Refunding Bond Fund.	$ 620,000
Direct Borrowings	
Financed purchase agreement dated January 21, 2021, with the Bank of England for $60,000 for the purchase of two police cars; 3.25% interest, due in sixty (60) monthly installments of $1,085. Payments are to be made from the General Fund.	14,853
Financed purchase agreement dated November 22, 2023, with Cadence Equipment Finance for $71,766 for the purchase of a fire truck; 5.96% interest, due in sixty (60) monthly installments of $1,386. Payments are to be made from the General Fund or Federal Equipment and Training (Act 833) Fund.	57,974
Financed purchase agreement dated April 4, 2024, with Cadence Bank for $57,590 for the purchase of two police cars; 5.59% interest, due in sixty (60) monthly installments of $1,105. Payments are to be made from the General Fund.	50,789
Total Direct Borrowings	123,616
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	68,999
Total Long-term liabilities	$ 812,615

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

NOTE 9: Commitments (Continued)

Long-term liabilities (Continued)

The City's outstanding bonds payable of $620,000 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.

The City's outstanding direct borrowings of $123,616 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.

Compensated Absences

Compensated absences do vest or accumulate and are included as long-term liabilities. The amount of compensated absences was not determined for the prior year.

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
Bonds					
5/23/17	1/1/28	1.5 - 3.15%	$ 1,500,000	$ 620,000	$ 880,000
Direct Borrowings					
1/21/21	2/5/26	3.25%	60,000	14,853	45,147
11/22/23	11/22/28	5.96%	71,766	57,974	13,792
4/4/24	4/4/29	5.59%	57,590	50,789	6,801
Total Direct Borrowings			189,356	123,616	65,740
Total Long-Term Debt			$ 1,689,356	$ 743,616	$ 945,740

Changes in Long-Term Debt

	Balance January 01, 2024		Issued	Retired	Balance December 31, 2024
Bonds payable	$ 765,000		$ 0	$ 145,000	$ 620,000
Direct Borrowings					
Financed purchases	96,924	*	57,590	30,898	123,616
Total Long-Term Debt	$ 861,924		$ 57,590	$ 175,898	$ 743,616

*Amount includes $70,736 for a financed purchase agreement inadvertently omitted from the prior year engagement.

NOTE 9: Commitments (Continued)

Debt Service Requirements to Maturity

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

Years Ending	Bonds			Direct Borrowings		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2025	$ 150,000	$ 16,586	$ 166,586	$ 36,988	$ 5,918	$ 42,906
2026	150,000	12,443	162,443	27,770	4,218	31,988
2027	160,000	7,560	167,560	27,202	2,686	29,888
2028	160,000	2,520	162,520	27,436	1,067	28,503
2029				4,220	48	4,268
Totals	$ 620,000	$ 39,109	$ 659,109	$ 123,616	$ 13,937	$ 137,553

NOTE 10: Interfund Transfers

Other Funds in the Aggregate transferred $170,453 to the General Fund for excess sales taxes. Additionally, the General Fund transferred $20,000 to Other Funds in the Aggregate for recreation and culture expenditures.

NOTE 11: Prior Year Restatement

The 2024 beginning fund balances of the General Fund, Street Fund, and Other Funds in the Aggregate were adjusted by ($38,495), ($7,074), and $50,015, respectively, to reflect prior year adjustments and correctly present the Fire Equipment and Training (Act 833) Fund and the Federal Equitable Sharing Fund as Other Funds in the Aggregate.

NOTE 12: Pledged Revenues

The City pledged future .875% sales and use taxes to repay $1,500,000 in bonds that were issued in 2017 to refund bonds issued in 2012 for street improvements and construction of a new law enforcement complex. Total principal and interest remaining on the bonds are $620,000 and $39,109, respectively, payable through January 1, 2028. For 2024, principal and interest paid were $145,000 and $20,089, respectively.

The Debt Service Fund received $335,757 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.

NOTE 13: Jointly Governed Organization

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Central Arkansas Regional Solid Waste Management District and Board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in the Arkansas Counties of Lonoke, Prairie, and Monroe. The District's board of directors is composed in accordance with the requirements of the Act and is comprised of representatives of the Counties in the District and representatives of all first-class cities, of all cities with a population over 2,000, and of the largest city of each county in the District. The City made no contributions to or disbursements on behalf of the Central Arkansas Regional Solid Waste Management District in 2024. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 215 South Court, Carlisle, Arkansas 72024.

NOTE 14: 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.

NOTE 14: Risk Management (Continued)

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

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

Municipal Vehicle Program

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

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

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

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

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

NOTE 15: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)

Plan Description

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

On December 15, 2022, administration of the City of Carlisle Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

A. Paid service not covered by Social Security: 8.5% of gross pay

B. Paid service also covered by Social Security: 2.5% of gross pay

C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was $49,008 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $27,927 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 $355,166.

NOTE 16: 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 $124,177.

NOTE 16: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2024, (actuarial valuation date and measurement date) was $887,778.

NOTE 17: Federal Fund Program Compliance

The federal grants of the City for the years ending December 31, 2022 and 2017, have not yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

NOTE 18: Subsequent Event

Pursuant to Ark. Code Ann. § 14-234-120, which states if an audit report or agreed-upon procedures and compliance report "... for a municipal water or sewer system is not submitted to the Legislative Auditor on behalf of the municipality within eighteen (18) months after the end of a fiscal year that the report covers, the Legislative Joint Auditing Committee may give notice of that fact to the Treasurer of State, who shall then withhold any turnback funds due the municipality in escrow until notified by the Legislative Joint Auditing Committee that all reports covering periods through the most recent fiscal year have been filed..." As of report date, the City of Carlisle's general revenue turnback funds for August through December 2025 are being held in escrow.

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

Schedule 1

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	CUSTODIAL FUNDS		
	Airport	Parks	Court Automation	Fire Equipment and Training (Act 833)	Federal Equitable Sharing	2017 Sales and Use Tax Refunding Bond	District Court	Small Claims / Civil Court	Totals
ASSETS									
Cash and cash equivalents	$ 141,775	$ 10,714	$ 24,228	$ 26,389	$ 3,068	$ 167,048	$ 6,210	$ 417	$ 379,849
Accounts receivable	1,008			150		23,220			24,378
TOTAL ASSETS	$ 142,783	$ 10,714	$ 24,228	$ 26,539	$ 3,068	$ 190,268	$ 6,210	$ 417	$ 404,227
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 325		$ 734	$ 350					$ 1,409
Interfund payables	2,906								2,906
Settlements pending							$ 6,210	$ 417	6,627
Total Liabilities	3,231		734	350			6,210	417	10,942
Fund Balances:									
Restricted	139,552		23,494	26,189	$ 3,068	$ 190,268			382,571
Assigned		$ 10,714							10,714
Total Fund Balances	139,552	10,714	23,494	26,189	3,068	190,268			393,285
TOTAL LIABILITIES AND FUND BALANCES	$ 142,783	$ 10,714	$ 24,228	$ 26,539	$ 3,068	$ 190,268	$ 6,210	$ 417	$ 404,227

CITY OF CARLISLE, 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

Schedule 2

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
	Airport	Parks	Court Automation	Fire Equipment and Training (Act 833)	Federal Equitable Sharing	2017 Sales and Use Tax Refunding Bond	Totals
REVENUES							
State aid				$ 24,150			$ 24,150
Federal aid	$ 78,871						78,871
Sales taxes	3,203					$ 335,757	338,960
Fines, forfeitures, and costs			$ 2,301				2,301
Interest	1,996	$ 38	843	1,000	$ 104	3,931	7,912
Local permits and fees	801						801
Farm rent	37,100						37,100
Fuel sales	110,768						110,768
Hangar rent	106,370						106,370
Other	487						487
TOTAL REVENUES	339,596	38	3,144	25,150	104	339,688	707,720
EXPENDITURES							
Current:							
Law enforcement			4,221				4,221
Public safety				36,309			36,309
Recreation and culture		9,324					9,324
Airport	263,863						263,863
Total Current	263,863	9,324	4,221	36,309			313,717
Debt Service:							
Bond principal						145,000	145,000
Bond interest and other charges						21,739	21,739
Financed purchase principal				7,352			7,352
Financed purchase interest				2,351			2,351
TOTAL EXPENDITURES	263,863	9,324	4,221	46,012		166,739	490,159
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75,733	(9,286)	(1,077)	(20,862)	104	172,949	217,561
OTHER FINANCING SOURCES (USES)							
Transfers in		20,000					20,000
Transfers out						(170,453)	(170,453)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	75,733	10,714	(1,077)	(20,862)	104	2,496	67,108
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	63,819		24,571			187,772	276,162
Restatement adjustment (Note 11)				47,051	2,964		50,015
FUND BALANCES - JANUARY 1, AS RESTATED	63,819		24,571	47,051	2,964	187,772	326,177
FUND BALANCES - DECEMBER 31	$ 139,552	$ 10,714	$ 23,494	$ 26,189	$ 3,068	$ 190,268	$ 393,285

CITY OF CARLISLE, 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
Airport	Ark. Code Ann. § 14-361-116 established fund to receive revenues obtained by a municipality from the ownership, control, or operation of any airport or air navigation facility, including proceeds from the sale of any airport or portion thereof or air navigation facility property. The revenues shall be used solely for airport purposes.
Parks	Established July 8, 2024 to receive a 50/50 parks grant from the Arkansas Department of Parks, Heritage, and Tourism, and to receive revenue from park activities.
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.
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.
Federal Equitable Sharing	Fund was established to receive shared funds from the Department of Justice for cooperation with federal agencies in investigations. Revenue is to be used for law enforcement purposes.
2017 Sales and Use Tax Refunding Bond	Established to refund 2012 Sales and Use Tax Bond and receive sales tax receipts and maintain principal and interest payments of bonds authorized in Carlisle Ordinance no. 314 (May 16, 2017).
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Small Claims / Civil Court	Ark. Code Ann. § 16-17-707 established account to receive fees relating to small claims and civil case filings.

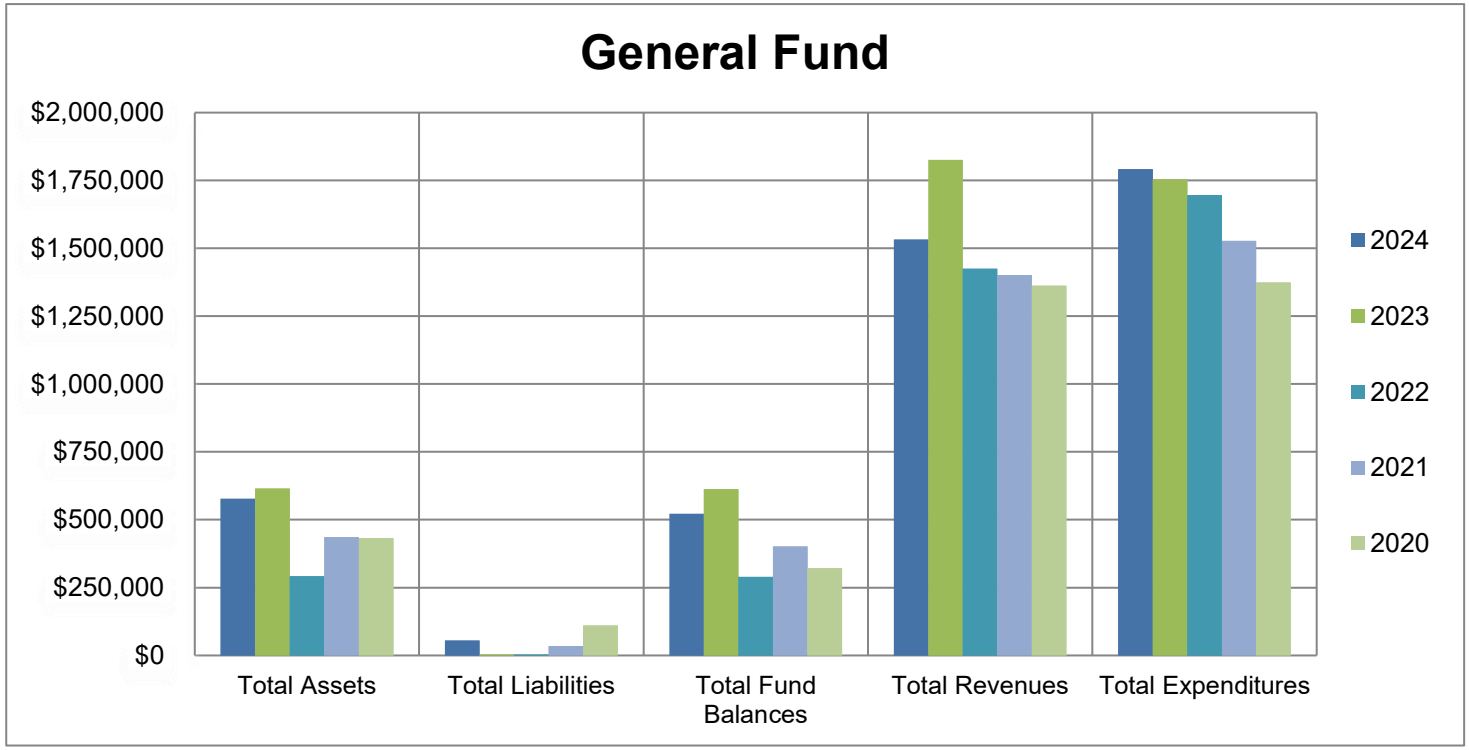
CITY OF CARLISLE, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2024
(Unaudited)

	December 31, 2024
Land	$ 117,944
Buildings	5,145,871
Equipment	3,932,531
Total	$ 9,196,346

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

Schedule 4-1

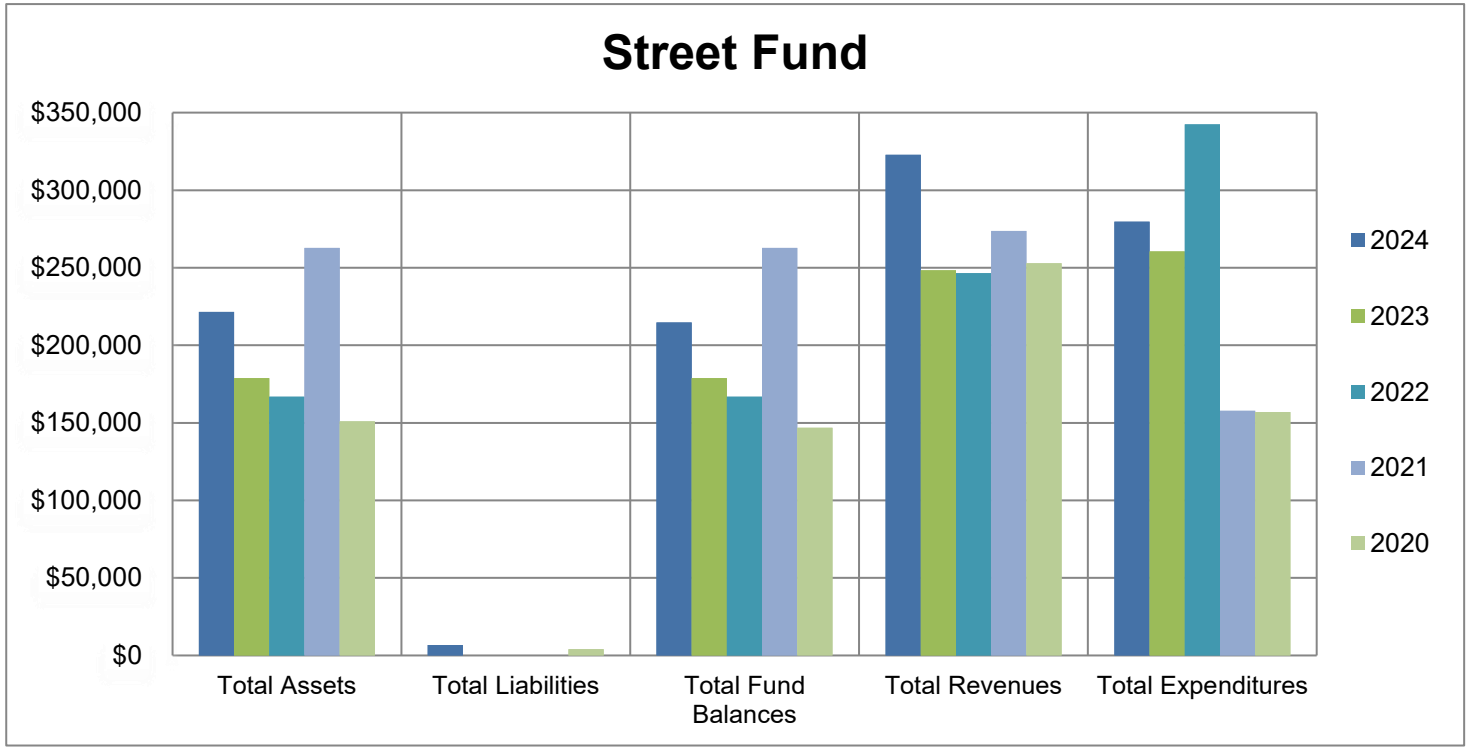
General	2024	2023	2022	2021	2020
Total Assets	$ 577,067	$ 615,043	$ 292,396	$ 435,746	$ 432,154
Total Liabilities	54,955	2,986	2,986	34,374	110,316
Total Fund Balances	522,112	612,057	289,410	401,372	321,838
Total Revenues	1,532,473	1,825,624	1,425,001	1,400,902	1,362,489
Total Expenditures	1,791,966	1,753,367	1,695,743	1,526,941	1,373,942
Total Other Financing Sources/Uses	208,043	250,390	158,780	205,573	123,272



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

Schedule 4-2

Street	2024	2023	2022	2021	2020
Total Assets	$ 221,532	$ 178,709	$ 166,749	$ 262,752	$ 150,856
Total Liabilities	6,816				4,071
Total Fund Balances	214,716	178,709	166,749	262,752	146,785
Total Revenues	322,719	248,221	246,490	273,693	252,878
Total Expenditures	279,638	260,532	342,493	157,726	156,976
Total Other Financing Sources/Uses		24,271			



CITY OF CARLISLE, 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	$ 404,227	$ 286,618	$ 666,792	$ 546,450	$ 550,889
Total Liabilities	10,942	10,456	12,608	11,351	24,937
Total Fund Balances	393,285	276,162	654,184	535,099	525,952
Total Revenues	707,720	904,459	1,649,285	1,134,199	904,898
Total Expenditures	490,159	1,122,173	1,371,420	1,327,156	1,017,223
Total Other Financing Sources/Uses	(150,453)	(160,308)	(158,780)	202,104	48,728

