City of Fairfield Bay, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF FAIRFIELD BAY, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Fairfield Bay, 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 Fairfield Bay, 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 Fairfield Bay, 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 Fairfield Bay, 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.

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 July 8, 2026, 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
July 8, 2026
LOM221024

Arkansas

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Senate Chair
Sen. Jim Dotson
Senate Vice 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 Fairfield Bay, 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 Fairfield Bay, 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 July 8, 2026. 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

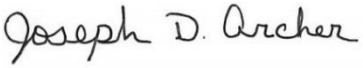
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 July 8, 2026.

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
July 8, 2026

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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

Mayor: Seth Connell (Appointed December 12, 2024)
Rose Ostronic-Owen (November 22, 2024 – December 12, 2024)
Jackie Sikes (Recalled November 22, 2024)
Recorder/Treasurer: Rose Ostronic-Owen
Police Chief: Jackie McCool

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

Mayor and Recorder/Treasurer:

The City expended $2,819 for a catered meal not associated with City business, in apparent conflict with Ark. Const. art. 12, § 5, as interpreted by Op. Att'y Gen. no. 1991-410.

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
July 8, 2026

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 324,656	$ 236,335	$ 490,703
Accounts receivable	94,914	100	44,072
TOTAL ASSETS	$ 419,570	$ 236,435	$ 534,775
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 36,424	$ 269	$ 17,159
Settlements pending			2,694
Total Liabilities	36,424	269	19,853
Fund Balances:			
Restricted	39,753	224,266	514,922
Assigned	46,193	11,900	
Unassigned	297,200		
Total Fund Balances	383,146	236,166	514,922
TOTAL LIABILITIES AND FUND BALANCES	$ 419,570	$ 236,435	$ 534,775

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

CITY OF FAIRFIELD BAY, 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	$ 244,297	$ 173,342	$ 36,633
Property taxes	292,704	74,905	
Franchise fees			173,153
Sales taxes	1,095,435	1,200	11,591
Fines, forfeitures, and costs	19,136		40
Interest	1,069	1,108	5,445
Local permits and fees	34,799		60,336
Advertising and promotion taxes			48,572
Donations	38,624		38,301
Conference center	236,926		
Other	108,581	31,249	44
TOTAL REVENUES	2,071,571	281,804	374,115
EXPENDITURES			
Current:			
General government	358,633		
Law enforcement	740,311		
Highways and streets	2,283	189,684	
Public safety	308,409		10,684
Recreation and culture	155,059		58,957
Social services	63,844		1
Advertising and promotion			38,157
Conference center	383,005		
Total Current	2,011,544	189,684	107,799
Debt Service:			
Bond principal			140,002
Bond interest and other charges			75,314
Financed purchase principal	78,486	24,475	
Financed purchase interest	15,808	6,025	
TOTAL EXPENDITURES	2,105,838	220,184	323,115

CITY OF FAIRFIELD BAY, ARKANSAS

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

FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (34,267)	$ 61,620	$ 51,000
OTHER FINANCING SOURCES (USES)			
Transfers in	105,787		92,087
Transfers out		(92,087)	(105,787)
TOTAL OTHER FINANCING SOURCES (USES)	105,787	(92,087)	(13,700)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	71,520	(30,467)	37,300
FUND BALANCES - JANUARY 1	311,626	266,633	477,622
FUND BALANCES - DECEMBER 31	$ 383,146	$ 236,166	$ 514,922

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

CITY OF FAIRFIELD BAY, 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	$ 164,659	$ 244,297	$ 79,638	$ 173,342	$ 173,342	$ 0
Property taxes	281,509	292,704	11,195	86,690	74,905	(11,785)
Sales taxes	1,088,560	1,095,435	6,875	1,200	1,200	0
Fines, forfeitures, and costs	17,332	19,136	1,804			
Interest	1,070	1,069	(1)	1,108	1,108	0
Local permits and fees	19,110	34,799	15,689			
Dispatch reimbursements	2,659		(2,659)			
Donations	39,035	38,624	(411)			
Conference center	238,589	236,926	(1,663)			
Special events revenue	25		(25)			
Other	117,220	108,581	(8,639)	31,250	31,249	(1)
TOTAL REVENUES	1,969,768	2,071,571	101,803	293,590	281,804	(11,786)
EXPENDITURES						
Current:						
General government	414,469	358,633	55,836			
Law enforcement	746,762	740,311	6,451			
Highways and streets		2,283	(2,283)	203,221	189,684	13,537
Public safety	257,738	308,409	(50,671)			
Recreation and culture	1,953	155,059	(153,106)			
Social services	61,330	63,844	(2,514)			
Conference center	383,136	383,005	131			
Total Current	1,865,388	2,011,544	(146,156)	203,221	189,684	13,537
Debt Service:						
Financed purchase principal	78,437	78,486	(49)	74,302	24,475	49,827
Financed purchase interest	15,857	15,808	49	46,560	6,025	40,535
TOTAL EXPENDITURES	1,959,682	2,105,838	(146,156)	324,083	220,184	103,899

CITY OF FAIRFIELD BAY, 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	$ 10,086	$ (34,267)	$ (44,353)	$ (30,493)	$ 61,620	$ 92,113
OTHER FINANCING SOURCES (USES)						
Transfers in	242,000	105,787	(136,213)			
Transfers out	(205,204)		205,204		(92,087)	(92,087)
TOTAL OTHER FINANCING SOURCES (USES)	36,796	105,787	68,991		(92,087)	(92,087)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	46,882	71,520	24,638	(30,493)	(30,467)	26
FUND BALANCES - JANUARY 1		311,626	311,626		266,633	266,633
FUND BALANCES - DECEMBER 31	$ 46,882	$ 383,146	$ 336,264	$ (30,493)	$ 236,166	$ 266,659

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 Fairfield Bay 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.

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 Fund – The Capital Projects Fund is 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 Schedule 2 for the Capital Projects Fund 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.

Custodial Fund – The Custodial Fund is used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for the Custodial Fund 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 funds being held for the Historic Preservation Commission.

Fund Balance Classifications

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

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

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

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.

There were no committed fund balances at year end.

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)	$ 436,499	$ 436,499
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	524,007	539,997
Uninsured and uncollateralized	90,988	90,988
Total Deposits	$ 1,051,494	$ 1,067,484

The above total deposits do not include cash on hand of $200.

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 to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2024, $90,988 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.

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
Franchise fees			$ 17,011
Sales taxes	$ 84,564	$ 100	15,371
Fines, forfeitures, and costs	2,548		
Advertising and promotion taxes			11,690
Conference center	6,841		
Other	961		
Totals	$ 94,914	$ 100	$ 44,072

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	$ 34,905	$ 269	$ 17,159
Payroll taxes payable	1,519		
Totals	$ 36,424	$ 269	$ 17,159

NOTE 6: Details of Fund Balance Classifications

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
Law enforcement			$ 41
Highways and streets		$ 224,266	
Public safety	$ 39,753		7,750
Recreation and culture			51,000
Advertising and promotion			51,904
Debt service			404,227
Total Restricted	39,753	224,266	514,922
Assigned to:			
Highways and streets		11,900	
Public safety	46,193		
Total Assigned	46,193	11,900	
Unassigned	297,200		
Totals	$ 383,146	$ 236,166	$ 514,922

NOTE 7: 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 $9,932,343. There were no property tax secured bond issues.

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 $2,521,327. The amount of short-term financing obligations was $475,097 leaving a legal debt margin of $2,046,230.

NOTE 8: Commitments

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

	December 31, 2024
Long-term liabilities	$ 2,795,340
Construction contract	16,254
Total Commitments	$ 2,811,594

NOTE 8: Commitments (Continued)

Long-term liabilities

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

	December 31, 2024
Bonds	
Sales and Use Tax Bonds, Series 2016 (Fire Protection Project), dated January 1, 2016, in the amount of $745,000, due in semiannual installments of $17,599 to $32,424 plus interest through February 1, 2031; interest rate of 3.89%. Payments are to be made from the Sales and Use Tax Bonds - Fire Fund.	$ 376,486
Franchise Fee Revenue Improvement Bonds, Series 2017, dated October 24, 2017, in the amount of $525,000, due in annual installments of $15,000 to $45,000 plus interest through June 1, 2032; interest rate of 2.99%. Payments are to be made from the Franchise Fee Revenue Bonds Fund.	315,000
Sales and Use Tax Refunding Bonds, Series 2022 dated April 19, 2022, in the amount of $1,715,000 due in annual installments of $50,000 to $100,000 plus interest through June 1, 2045; interest of 2.1% to 3.25%. Payments are to be made from the Sales and Use Tax Refunding Bonds - Series 2022 Fund.	1,610,000
Total Bonds	2,301,486
Direct Borrowings	
Financed purchase dated March 1, 2019, with Arkansas Natural Resources Commission in the amount of $250,805 for repair and replacement of a drainage culvert. Payment terms amended on October 29, 2020, called for annual payments of $29,028 with a final payment of $136,657 due March 1, 2024. On November 20, 2023, the debt balance of $133,895 was refinanced to call for five annual payments of $30,500 with a final payment due June 1, 2028. The interest rate was increased from 2.75% to 4.5%. Payments are to be made from the Street Fund.	109,420
Financed purchase agreement dated June 30, 2020, with White River Planning and Development District in the amount of $224,186 to fund capital improvements and refinance existing capital improvement loans; 60 monthly payments of $4,180 at 4.5% interest. Payments are to be made from the General Fund.	28,823
Financed purchase agreement dated May 11, 2022, with Eagle Bank & Trust Company in the amount of $300,000 for replacement of the Conference Center roof; 59 monthly payments of $1,746 at 3.49% interest and 1 balloon payment of $245,317. Payments are to be made from the General Fund.	272,132
Financed purchase agreement dated October 20, 2022, with White River Planning and Development District in the amount of $147,000 for the purpose of purchasing fire equipment; 20 quarterly payments of $5,796 at 4.5% interest. Payments are to be made from the General Fund.	64,722
Total Direct Borrowings	475,097
Compensated absences consisting of accrued vacation leave adjusted to current salary cost	18,757
Total Long-term liabilities	$ 2,795,340

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

NOTE 8: Commitments (Continued)

Long-term liabilities (Continued)

The City's outstanding bonds payable of $376,486 contain a provision that in an event of default, outstanding amounts, with the consent of any registered owner other than the bank, (i) may declare immediately due and payable; (ii) may cure any default, event of default or event of nonperformance under this agreement; (iii) may exercise its banker's lien or right of set-off; (iv) may proceed to protect its right by suit in equity, action at law or other appropriate proceedings; and/or (v) may exercise any other rights or remedies available under any other agreement or at law or in equity.

The City's outstanding bonds payable of $315,000 contain a provision that in an event of default, the registered owners of not less than 50% in principal amount of the bonds then outstanding may, by proper suit compel the performance of the duties of the officials of the City under laws of Arkansas.

The City's outstanding bonds payable of $1,610,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 25% 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 $475,097 contain provisions that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	$ 10,163
Ending balance compensated absences	18,757
Net increase (decrease)	$ 8,594

Post Employment Benefits Other Than Pensions

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

NOTE 8: Commitments (Continued)

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					
1/1/16	2/1/31	3.89%	$ 745,000	$ 376,486	$ 368,514
10/24/17	6/1/32	2.99%	525,000	315,000	210,000
4/19/22	6/1/45	2.1% to 3.25%	1,715,000	1,610,000	105,000
Total Bonds			2,985,000	2,301,486	683,514
Direct Borrowings					
3/1/19	6/1/28	4.5%	250,805	109,420	141,385
6/30/20	6/30/25	4.5%	224,186	28,823	195,363
5/11/22	5/11/27	3.49%	300,000	272,132	27,868
10/20/22	10/24/27	4.5%	147,000	64,722	82,278
Total Direct Borrowings			921,991	475,097	446,894
Total Long-Term Debt			$ 3,906,991	$ 2,776,583	$ 1,130,408

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Bonds payable	$ 2,441,488	$ 0	$ 140,002	$ 2,301,486
Direct Borrowings				
Financed purchases	578,058	0	102,961	475,097
Total Long-Term Debt	$ 3,019,546	$ 0	$ 242,963	$ 2,776,583

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 146,965	$ 68,896	$ 215,861	$ 86,528	$ 17,369	$ 103,897
2026	149,007	64,549	213,556	60,214	14,427	74,641
2027	156,128	59,897	216,025	299,168	6,819	305,987
2028	163,333	54,945	218,278	29,187	1,313	30,500
2029	160,623	49,973	210,596			
2030 through 2034	560,430	187,323	747,753			
2035 through 2039	400,000	124,412	524,412			
2040 through 2044	465,000	54,844	519,844			
2045	100,000	1,625	101,625			
Totals	$ 2,301,486	$ 666,464	$ 2,967,950	$ 475,097	$ 39,928	$ 515,025

NOTE 8: Commitments (Continued)

Construction Contract

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

Project Name	Completed Date	Contract Balance December 31, 2024
Pickleball Courts	April 30, 2025	$ 16,254

NOTE 9: Interfund Transfers

The Street Fund transferred $92,087 to Other Funds in the Aggregate (Sales and Use Tax Refunding Bonds – Series 2022) for street related debt service payments. Additionally, the Other Funds in the Aggregate (Franchise Fee Revenue Bonds) transferred excess franchise fees of $105,787 to the General Fund.

NOTE 10: Pledged Revenues

The City has pledged a future one-half cent sales tax to repay $745,000 in bonds that were issued in 2016 to provide funding for three fire trucks and related fire equipment. Total principal and interest remaining on the bonds at December 31, 2024, were $376,486 and $53,231, respectively, payable through February 1, 2031. Revenues from the pledged tax for 2024 were $11,591 and the required principal and interest payments for 2024 were $66,110. Any sales tax collected in excess of the debt services on this bond issue can be used for fire protection expenditures.

The City pledged future franchise fee revenue to repay $525,000 in bonds that were issued in 2017 to provide funding for acquiring, expanding, and constructing betterments and improvements to the municipal parking facilities and infrastructure within the City. Total principal and interest remaining on the bonds at December 31, 2024, were $315,000 and $38,197, respectively, payable through June 1, 2032. Revenues from the pledged fees for 2024 were $173,153 and the required principal and interest payments for 2024 were $44,942. Any franchise fees collected in excess of the debt service payments on this bond issue can be used for any lawful municipal purpose.

The City has pledged a future one cent sales and use tax to repay $1,715,000 in bonds that were issued in 2022 to refund 2015 bonds that were issued to provide funding for street improvements. Total principal and interest remaining on the bonds at December 31, 2024, were $1,610,000 and $575,036, respectively, payable through June 1, 2045. Revenues from the pledged tax are deposited into the General Fund. For 2024, revenues in the Street Fund were sufficient to fund the debt service requirements and pledged revenues were utilized for other allowable City expenditures in the General Fund. Transfers from the Street Fund to Debt Service Fund were $92,087 and the required principal and interest payments for 2024 were $102,064.

NOTE 11: 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 2024 and 2023. In 2022, the Municipal Property Program denied an insurance claim for roof damage at the conference center that occurred after a 2021 snowstorm. The City incurred repair costs of $431,230 in 2022. 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 11: 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 12: 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 1, 1994, administration of the City of Fairfield Bay Firemen's Pension and Relief Fund and the City of Fairfield Bay Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

NOTE 12: Local Police and Fire Retirement System (LOPFI) (Continued)
(A Defined Benefit Pension Plan)

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 $85,835 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $44,080 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 $622,493.

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

Schedule 1

	SPECIAL REVENUE FUNDS				
	Fire Equipment and Training (Act 833)	Advertising and Promotion	Campground	Special Events	Jail Incarceration
ASSETS					
Cash and cash equivalents	$ 7,750	$ 57,373	$ 42,264	$ 8,736	$ 41
Accounts receivable		11,690			
TOTAL ASSETS	$ 7,750	$ 69,063	$ 42,264	$ 8,736	$ 41
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		$ 17,159			
Settlements pending					
Total Liabilities		17,159			
Fund Balances:					
Restricted	$ 7,750	51,904	$ 42,264	$ 8,736	$ 41
TOTAL LIABILITIES AND FUND BALANCES	$ 7,750	$ 69,063	$ 42,264	$ 8,736	$ 41

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

Schedule 1

	DEBT SERVICE FUNDS			CUSTODIAL FUND	
	Sales and Use Tax Bonds - Fire	Franchise Fee Revenue Bonds	Sales and Use Tax Refunding Bonds - Series 2022	Historic Preservation Commission	Totals
ASSETS					
Cash and cash equivalents	$ 94,358	$ 186,499	$ 90,988	$ 2,694	$ 490,703
Accounts receivable	15,371	17,011			44,072
TOTAL ASSETS	$ 109,729	$ 203,510	$ 90,988	$ 2,694	$ 534,775
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					$ 17,159
Settlements pending				$ 2,694	2,694
Total Liabilities				2,694	19,853
Fund Balances:					
Restricted	$ 109,729	$ 203,510	$ 90,988		514,922
TOTAL LIABILITIES AND FUND BALANCES	$ 109,729	$ 203,510	$ 90,988	$ 2,694	$ 534,775

CITY OF FAIRFIELD BAY, 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				
	Fire Equipment and Training (Act 833)	Advertising and Promotion	Campground	Special Events	Jail Incarceration
REVENUES					
State aid	$ 36,633				
Franchise fees					
Sales taxes					
Fines, forfeitures, and costs					$ 40
Interest	26	$ 235	$ 104	$ 21	
Local permits and fees			60,336		
Advertising and promotion taxes		47,359	1,213		
Donations			38,301		
Other					1
TOTAL REVENUES	36,659	47,594	99,954	21	41
EXPENDITURES					
Current:					
Public safety	10,568				
Recreation and culture			57,690	8	
Social services					
Advertising and promotion		38,157			
Total Current	10,568	38,157	57,690	8	
Debt Service:					
Bond principal	40,043				
Bond interest and other charges	14,012				
TOTAL EXPENDITURES	64,623	38,157	57,690	8	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,964)	9,437	42,264	13	41
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(27,964)	9,437	42,264	13	41
FUND BALANCES - JANUARY 1	35,714	42,467		8,723	
FUND BALANCES - DECEMBER 31	$ 7,750	$ 51,904	$ 42,264	$ 8,736	$ 41

CITY OF FAIRFIELD BAY, 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

	CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS			
	Senior Center Grant from Arkansas Economic Development Commission	Sales and Use Tax Bonds - Fire	Franchise Fee Revenue Bonds	Sales and Use Tax Refunding Bonds - Series 2022	Totals
REVENUES					
State aid					$ 36,633
Franchise fees			$ 173,153		173,153
Sales taxes		$ 11,591			11,591
Fines, forfeitures, and costs					40
Interest		105		$ 4,954	5,445
Local permits and fees					60,336
Advertising and promotion taxes					48,572
Donations					38,301
Other		8	35		44
TOTAL REVENUES		11,704	173,188	4,954	374,115
EXPENDITURES					
Current:					
Public safety		116			10,684
Recreation and culture			1,259		58,957
Social services	$ 1				1
Advertising and promotion					38,157
Total Current	1	116	1,259		107,799
Debt Service:					
Bond principal		9,959	35,000	55,000	140,002
Bond interest and other charges		2,096	9,942	49,264	75,314
TOTAL EXPENDITURES	1	12,171	46,201	104,264	323,115
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1)	(467)	126,987	(99,310)	51,000
OTHER FINANCING SOURCES (USES)					
Transfers in				92,087	92,087
Transfers out			(105,787)		(105,787)
TOTAL OTHER FINANCING SOURCES (USES)			(105,787)	92,087	(13,700)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1)	(467)	21,200	(7,223)	37,300
FUND BALANCES - JANUARY 1	1	110,196	182,310	98,211	477,622
FUND BALANCES - DECEMBER 31	$ 0	$ 109,729	$ 203,510	$ 90,988	$ 514,922

CITY OF FAIRFIELD BAY, 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
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.
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. Fairfield Bay Ordinance no. 1999-67 (May 10, 1999) authorized the levy of a 3 percent tax on gross receipts of hotel or motel accommodations.
Campground	Fairfield Bay Ordinance no. 2024-09 (January 12, 2024) established fund to monitor receipts and disbursements for the campground.
Special Events	Fairfield Bay Resolution no. 2022-06 (May 9, 2022) established fund to monitor receipts and disbursements for special events held by the City.
Jail Incarceration	Fairfield Bay Ordinance no. 2024-24 (July 8, 2024) established fund to levy and collect an additional fine in the amount of $20 from each defendant upon each conviction to defray the cost of incarcerating city prisoners at the Van Buren County Jail in accordance with Ark. Code Ann. § 16-17-129.
Senior Center Grant from Arkansas Economic Development Commission	Established to receive and disburse Economic Development Commission grant funds for the Senior Center.
Sales and Use Tax Bonds - Fire	Fairfield Bay Ordinance no. 2015-14 (December 7, 2015) authorized the issuance of sales and use tax bonds (Fire Protection Project) for the purpose of financing all or a portion of the costs of certain fire protection equipment consisting primarily of three pumper trucks.
Franchise Fee Revenue Bonds	Fairfield Bay Ordinance no. 2017-05 (September 11, 2017) authorized the issuance of Franchise Fee Revenue Improvement Bonds (Franchise Fee Revenue Bonds Project) for the purpose of financing the acquisition, expansion and construction of betterments and improvements to municipal parking facilities and infrastructure within the City.

CITY OF FAIRFIELD BAY, 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 Refunding Bonds - Series 2022	Fairfield Bay Ordinance no. 2022-02 (January 31, 2022) authorized the issuance of sales and use tax refunding bonds to refinance the Sales and Use Tax Bonds - Series 2015, pledging collections of a one percent sales and use tax to pay the principal of, and interest on the bonds.
Historic Preservation Commission	Established to receive and disburse funds for the Historic Preservation Commission.

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

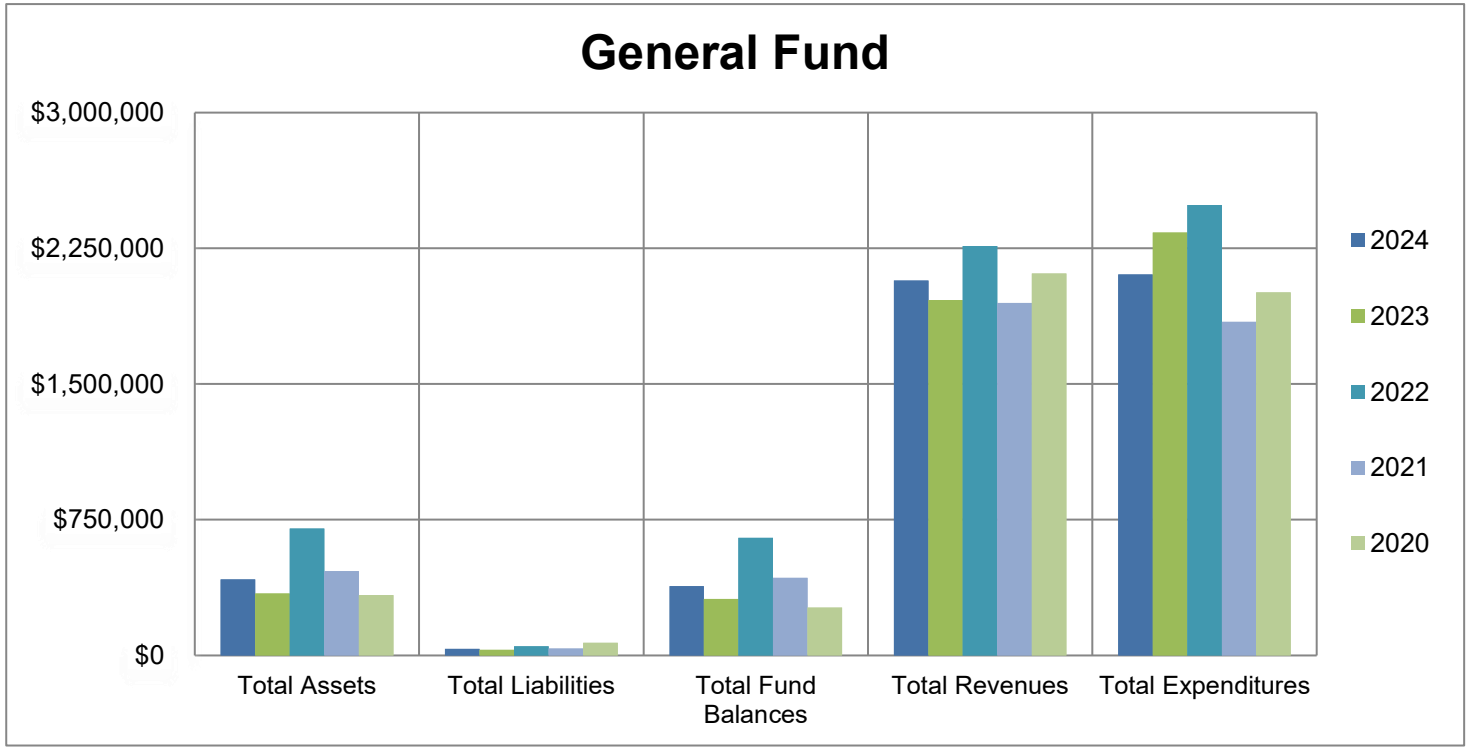
Schedule 3

	December 31, 2024
Land	$ 187,772
Buildings	4,125,488
Equipment	2,401,635
Total	$ 6,714,895

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

Schedule 4-1

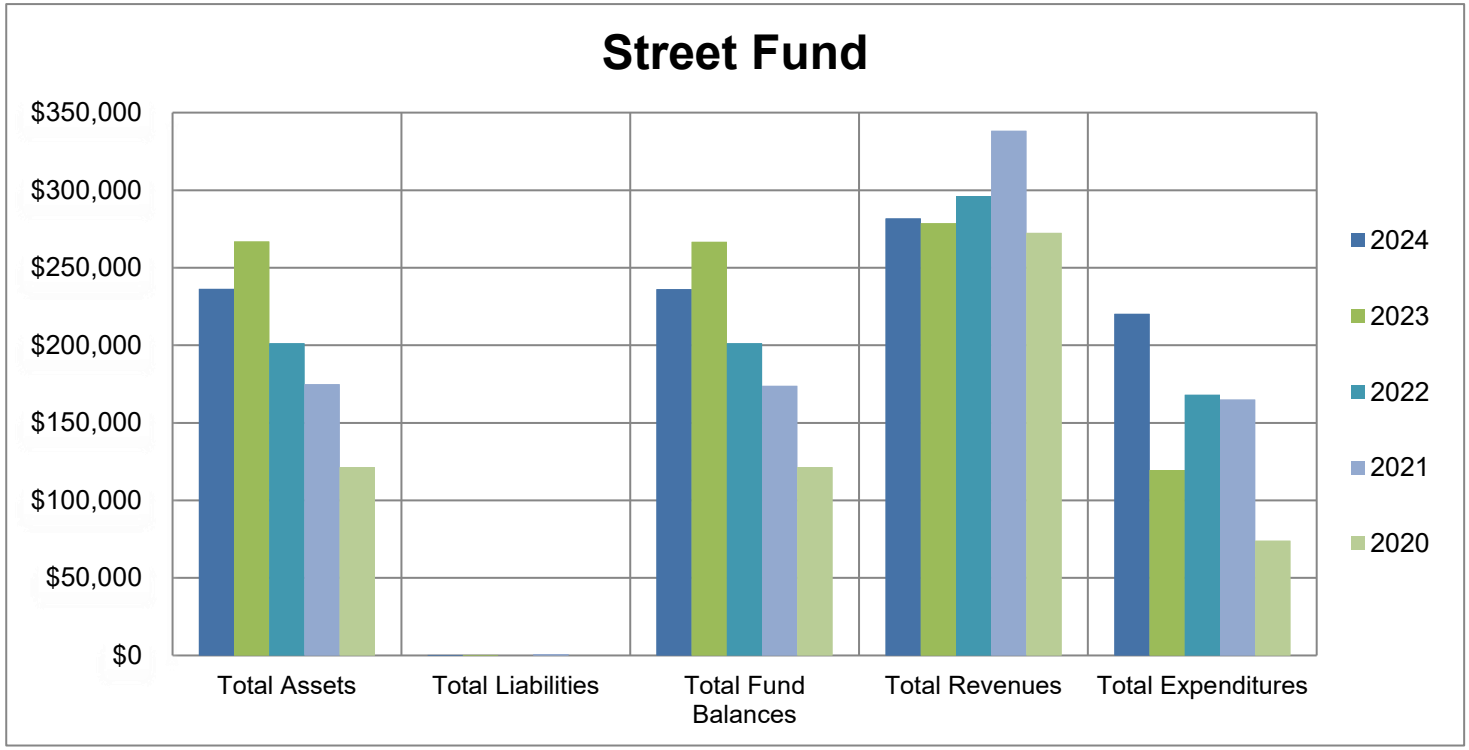
General	2024	2023	2022	2021	2020
Total Assets	$ 419,570	$ 342,281	$ 701,813	$ 466,593	$ 334,238
Total Liabilities	36,424	30,655	51,253	37,669	69,437
Total Fund Balances	383,146	311,626	650,560	428,924	264,801
Total Revenues	2,071,571	1,963,703	2,263,600	1,948,565	2,111,438
Total Expenditures	2,105,838	2,337,637	2,488,964	1,843,746	2,006,500
Total Other Financing Sources/Uses	105,787	35,000	447,000	59,304	55,500



CITY OF FAIRFIELD BAY, 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	$ 236,435	$ 266,928	$ 201,335	$ 174,817	$ 121,470
Total Liabilities	269	295		897	
Total Fund Balances	236,166	266,633	201,335	173,920	121,470
Total Revenues	281,804	278,584	296,102	338,304	272,444
Total Expenditures	220,184	119,499	168,124	164,943	73,987
Total Other Financing Sources/Uses	(92,087)	(93,787)	(100,563)	(120,911)	(214,650)



CITY OF FAIRFIELD BAY, 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	$ 534,775	$ 477,622	$ 577,243	$ 661,097	$ 459,939
Total Liabilities	19,853		5,383	396	81,907
Total Fund Balances	514,922	477,622	571,860	660,701	378,032
Total Revenues	374,115	413,112	991,139	572,041	397,606
Total Expenditures	323,115	566,137	1,117,377	350,979	576,389
Total Other Financing Sources/Uses	(13,700)	58,787	37,397	61,607	310,140

