

City of Alma, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ALMA, ARKANSAS
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Senate Vice Chair



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House Chair
Rep. Mary Bentley
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Alma, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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.

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" paragraph, the 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 City of Alma, Arkansas, as of December 31, 2017, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Alma, Arkansas, as of December 31, 2017, the regulatory basis revenues, expenditures, and changes in net position, 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.

Emphasis of Matter

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

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That 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



Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
September 17, 2018
LOM100117

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Lance Eads
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Mary Bentley
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Alma, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2018. 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.

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) to determine the 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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 may exist that have not been identified.

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 the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

Other Issues

The commentary contained in this section relates to the following officials that held office during 2017:

Mayor: Keith Greene
Clerk/Treasurer: Wayne Beck
District Court Clerk: Chelsea Shepherd
Police Chief: Russell White

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

Our audit procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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 result 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



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 17, 2018

CITY OF ALMA, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2017

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 535,354	\$ 536,907	\$ 14,031,347
Investments			697,457
Accounts receivable	159,270	13,269	164,018
Interfund receivables		12,468	14,328
	<u>694,624</u>	<u>562,644</u>	<u>14,907,150</u>
TOTAL ASSETS	\$ 694,624	\$ 562,644	\$ 14,907,150
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 17,307	\$ 3,619	\$ 103,102
Interfund payables	12,468	14,328	
Settlements pending			61,306
Total Liabilities	<u>29,775</u>	<u>17,947</u>	<u>164,408</u>
Fund Balances:			
Restricted		544,697	14,742,742
Committed	18,535		
Assigned	236,556		
Unassigned	409,758		
Total Fund Balances	<u>664,849</u>	<u>544,697</u>	<u>14,742,742</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 694,624	\$ 562,644	\$ 14,907,150

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

CITY OF ALMA, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 129,754	\$ 372,780	\$ 28,213
Federal aid	52,047		
Property taxes	197,043	95,344	25,425
Franchise fees	282,681		
Sales taxes	280,363	305,223	2,696,864
Fines, forfeitures, and costs	327,418		8,218
Interest	860	1,690	75,650
Local permits and fees	57,030		
Sanitation fees	267,110		
Advertising and promotion taxes			243,418
Park fees	274,403		
Net increase (decrease) in the fair value of investments			45,950
Other	90,183	11,290	1,992
TOTAL REVENUES	1,958,892	786,327	3,125,730
EXPENDITURES			
Current:			
General government	437,306		261,403
Law enforcement	1,654,670		34,567
Highways and streets		1,038,446	235,192
Public safety	70,017		197,286
Sanitation	195,048		
Recreation and culture	526,192		30,565
Social services	11,810		
Total Current	2,895,043	1,038,446	759,013
Debt Service:			
Bond principal			1,455,000
Bond interest and other charges			339,647
Note principal	21,619		
Note interest	927		
TOTAL EXPENDITURES	2,917,589	1,038,446	2,553,660

CITY OF ALMA, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (958,697)</u>	<u>\$ (252,119)</u>	<u>\$ 572,070</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	997,182		251,158
Transfers out	(8,398)		(1,239,942)
Contribution to water department			(1,426,429)
Bond Proceeds			<u>5,100,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>988,784</u>		<u>2,684,787</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	30,087	(252,119)	3,256,857
FUND BALANCES - JANUARY 1	<u>634,762</u>	<u>796,816</u>	<u>11,485,885</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 664,849</u></u>	<u><u>\$ 544,697</u></u>	<u><u>\$ 14,742,742</u></u>

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

CITY OF ALMA, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 118,000	\$ 129,754	\$ 11,754	\$ 346,125	\$ 372,780	\$ 26,655
Federal aid		52,047	52,047			
Property taxes	384,000	197,043	(186,957)	103,013	95,344	(7,669)
Franchise fees	255,000	282,681	27,681			
Sales taxes	1,140,000	280,363	(859,637)	301,081	305,223	4,142
Fines, forfeitures, and costs	223,500	327,418	103,918			
Interest		860	860		1,690	1,690
Local permits and fees	60,200	57,030	(3,170)			
Sanitation fees	264,562	267,110	2,548			
Park fees	285,790	274,403	(11,387)			
Other	163,175	90,183	(72,992)	925	11,290	10,365
TOTAL REVENUES	2,894,227	1,958,892	(935,335)	751,144	786,327	35,183
EXPENDITURES						
Current:						
General government	483,927	437,306	46,621			
Law enforcement	1,650,683	1,654,670	(3,987)			
Highways and streets				1,152,275	1,038,446	113,829
Public safety	118,000	70,017	47,983			
Sanitation	195,047	195,048	(1)			
Recreation and culture	501,461	526,192	(24,731)			
Social services	12,000	11,810	190			
Total Current	2,961,118	2,895,043	66,075	1,152,275	1,038,446	113,829
Debt Service:						
Note principal		21,619	(21,619)			
Note interest		927	(927)			
TOTAL EXPENDITURES	2,961,118	2,917,589	43,529	1,152,275	1,038,446	113,829

CITY OF ALMA, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (66,891)	\$ (958,697)	\$ (891,806)	\$ (401,131)	\$ (252,119)	\$ 149,012
OTHER FINANCING SOURCES (USES)						
Transfers in		997,182	997,182			
Transfers out		(8,398)	(8,398)			
TOTAL OTHER FINANCING SOURCES (USES)		988,784	988,784			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(66,891)	30,087	96,978	(401,131)	(252,119)	149,012
FUND BALANCES - JANUARY 1	475,566	634,762	159,196	828,369	796,816	(31,553)
FUND BALANCES - DECEMBER 31	\$ 408,675	\$ 664,849	\$ 256,174	\$ 427,238	\$ 544,697	\$ 117,459

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

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

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

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

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

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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. 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.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

Settlements Pending

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

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.
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.

CITY OF ALMA, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

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 except for the Public Safety Equipment account; Street Fund; and the other operating funds except for the Fire Equipment and Training (Act 833) Fund.

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 796,793	\$ 796,793
Collateralized:		
Collateral held by the City's agent, pledging bank, or pledging bank's trust department or agent in the City's name	9,088,404	9,155,458
U.S. government guaranteed accounts	5,209,851	5,209,851
Total Deposits	\$ 15,095,048	\$ 15,162,102

The above total deposits do not include cash on hand of \$8,560.

CITY OF ALMA, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

Pension Trust Funds

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2017 Fair Value
Trust - Firemen's Pension	\$ 697,457

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

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

The City's investments are composed of the following:

Investment Type	Quoted Prices in Active Markets for Identical Investments Level I
Mutual Funds	\$ 697,457

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

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2017 is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Franchise fees	\$ 36,930		
Sales taxes	99,680	\$ 11,232	\$ 144,341
Fines, forfeitures, and costs	22,469		167
Interest	2		
Advertising and promotion taxes			19,510
Other	189	2,037	
Totals	\$ 159,270	\$ 13,269	\$ 164,018

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2017 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 17,307	\$ 3,619	\$ 103,102

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2017	
	Interfund Receivables	Interfund Payables
General		\$ 12,468
Road	\$ 12,468	14,328
Other Funds in the Aggregate:		
Capital Projects:		
2015 Sales and Use Tax Street Project	14,328	
Totals	\$ 26,796	\$ 26,796

Interfund receivables and payables consist of an error in depositing restricted revenue and a pending sales tax revenue transfer. These balances are expected to be repaid during 2018.

CITY OF ALMA, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2017 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 340,060
Law enforcement			19,558
Highways and streets		\$ 544,697	
Public safety			106,062
Pension benefits			718,873
Capital outlay			11,867,493
Debt service			1,690,696
Total Restricted		<u>544,697</u>	<u>14,742,742</u>
Committed for:			
Law enforcement	\$ 18,535		
Assigned to:			
Public safety	121,625		
Recreation and culture	114,931		
Total Assigned	<u>236,556</u>		
Unassigned	<u>409,758</u>		
Totals	<u>\$ 664,849</u>	<u>\$ 544,697</u>	<u>\$ 14,742,742</u>

NOTE 9: 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, 2017, the legal debt limit for the bonded debt was \$12,944,242. 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, 2017, the legal debt limit for short-term financing obligations was \$3,388,947. There were no short-term financing obligations.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2017:

	December 31, 2017
Long-term liabilities	\$15,890,000
Construction contracts	<u>966,433</u>
Total Commitments	<u>\$16,856,433</u>

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 10: Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2017 are comprised of the following:

	December 31, 2017
<u>Bonds Payable</u>	
Hotel and Restaurant Gross Receipts Tax Refunding Bond for swimming pool and park improvements, principal amount of \$900,000, due in annual installments of \$35,000 - \$75,000 plus interest through December 1, 2024. Interest at 4.30%. Payments to be made from the Hotel and Restaurant Gross Receipts Tax Refunding Bond Debt Service Fund.	\$ 430,000
Sales and Use Tax Refunding Bond - Series 2010 for refunding the Sales and Use Tax Bond - Series 2005 for street improvements, principal amount of \$3,010,000, due in annual installments of \$20,000 - \$265,000 plus interest through August 1, 2025. Interest from 2.00% - 3.95%. Payments to be made from the Sales and Use Tax Bond Series 2010 Debt Service Fund.	1,850,000
Sales and Use Tax Refunding and Improvement Bond - Series 2014 for refunding the 2012 3.75% Capital Improvement Refunding and Improvement Revenue Bond, dated November 1, 2014, principal amount of \$5,550,000, due in annual installments of \$220,000 - \$355,000 plus interest through November 1, 2034. Interest from 1.00% - 3.125%. Payments to be made from the Sales and Use Tax Refunding and Improvements Bond Series 2014 Debt Service Fund.	3,325,000
Sales and Use Tax Bond - Series 2015 for the purpose of capital improvements, dated January 1, 2015, principal amount of \$1,455,000, due in annual installments of \$60,000 - \$95,000 plus interest through November 1, 2034. Interest from 2.875% - 3.050%. Payments to be made from the Sales and Use Tax capital Improvements Bond Series 2015 Debt Service Fund.	810,000
Sales and Use Tax Bond- Series 2016 for financing the cost of capital improvements dated November 1, 2016, principal amount of \$4,940,000, due in annual installments of \$200,000 - \$295,000 plus interest through November 1, 2036. Interest from 2 - 2.5%. Payments to be made from the Sales and Use Tax Capital Improvements Bond Series 2016 Debt Service Fund.	4,375,000
Sales and Use Tax Bond- Series 2017 for financing the cost of capital improvements dated November 1, 2016, principal amount of \$5,100,000, due in annual installments of \$55,000 - \$465,000 plus interest through August 1, 2037. Interest from 1.75 -3.5%. Payments to be made from the Sales and Use Tax Capital Improvements Bond Series 2017 Debt Service Fund.	5,100,000
Total Long-term liabilities	<u>\$ 15,890,000</u>

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

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 10: Commitments (Continued)

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2017:

<u>Years Ending December 31, 201</u>	<u>Bonds</u>
2018	\$ 1,558,738
2019	1,249,647
2020	1,248,948
2021	1,247,043
2022	1,248,551
2023 through 2027	6,056,813
2028 through 2032	4,638,406
2033 through 2037	<u>3,096,325</u>
Total Obligations	20,344,471
Less Interest	<u>4,454,471</u>
Total Principal	<u><u>\$ 15,890,000</u></u>

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2017:

<u>Project Name</u>	<u>Completion Date or Estimated Completion Date</u>	<u>Contract Balance December 31, 2017</u>
Neighborhood Sanitary Sewer Improvements	October 1, 2018	\$ 524,525
Project #AAR-54 - 2017 Roadway Capacity Improvements	October 31, 2018	322,202
Downtown Streetscape Project	August 15, 2019	77,025
Project #AAR-61 Alma Sidewalks	June 1, 2019	37,456
Project #AAR-64 - Boys and Girls Club Sidewalk Improvements Section B	June 5, 2018	<u>5,225</u>
		<u><u>\$ 966,433</u></u>

NOTE 11: Advertising and Promotion Pledge

On April 7, 2015, the Alma Advertising and Promotion Commission pledged to pay \$10,000 per year for the next ten years to the Alma Education and Arts Foundation for the installation of artificial turf at the Alma High School football stadium. The payments are to be made from the Advertising and Promotion Fund.

NOTE 12: Interfund Transfers

In 2017, the City transferred \$8,398 from the General Fund to Other Funds in the Aggregate – Court Automation Fund for fiscal year 2015 and 2016 restricted revenues. Also, \$997,182 was transferred from the Other Funds in the Aggregate - Sales and Use Tax Bond Series 2010 Street Improvements Debt Service Fund to the General Fund to allocate sales taxes received by the City for operations. The City also transferred \$75,855 from Other Funds in the Aggregate – Advertising and Promotion to the Hotel and Restaurant Gross Receipts Tax Refunding Bond for debt service requirements. Additionally, the City transferred \$166,905 from Other Funds in the Aggregate – Sales and Use Tax Refunding and Improvement Bond – Series 2014 to the Sales and Use Tax Bond – Series 2016 for fiscal year 2016 sales tax allocations.

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 13: Subsequent Events

On February 14, 2018, the City entered into a contract with Wear Construction Management, Inc. in the amount of \$1,342,735 for the construction of Alma Fire Station Number 5.

On April 9, 2018, the City entered into a contract with Emergency Vehicle Specialists in the amount of \$1,433,891 for the purchase of two new fire trucks.

On April 25, 2018, the City entered into a contract with related party Wimberly Construction in the amount of \$62,709 for the construction of an asphalt pedestrian trail, known as the 2017 Trails for Life, Boys and Girls Club Sidewalk Improvements.

On May 29, 2018, the City entered into a contract with Crawford Construction Company in the amount of \$1,131,256 for 2018 Roadway Capacity Improvements.

NOTE 14: Pledged Revenues

Sales Tax

The City has pledged a future one half cent sales and use tax to repay \$3,010,000 in bonds that were issued in 2010 to refund bonds issued in 2005 to provide funding improvements to the City's streets. Total principal and interest remaining on the bonds at December 31, 2017 are \$1,850,000 and \$321,983 respectively, payable through August 1, 2025. Revenues from the pledged tax for 2017 were \$1,360,261 and the required principal, interest, and service fee payments for 2017 were \$273,708. Any sales tax collected in excess of the debt service payments on this bond issue can be used by the City for any lawful purpose.

The City has pledged a future one percent sales and use tax to repay \$5,550,000 in bonds that were issued in 2014 to refund bonds issued in 2012 to provide funding improvements to the Police Department, Fire Department, Parks and Recreation Department, and Street Department. Total principal and interest remaining on the bonds at December 31, 2017 are \$3,325,000 and \$625,316, respectively, payable through November 1, 2029. Revenues from the pledged tax for 2017 were \$452,292 and the required principal, interest, and service fee payments for 2017 were \$546,598. Any sales tax collected in excess of the required debt service payments on this bond issue must be used to redeem Bonds prior to maturity.

The City has pledged a future one percent sales and use tax to repay \$1,455,000 in bonds that were issued in 2015 for the purpose of financing all or a portion of the cost of capital improvements related to Street Projects. The pledge of revenues is on parity with the pledge of pledged revenues in favor of the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2014. Total principal and interest remaining on the bonds at December 31, 2017 are \$810,000 and \$174,781 respectively, payable through November 1, 2029. Revenues from the pledged tax for 2017 were \$146,759 and the required principal, interest, and service fee payments for 2017 were \$222,241. Any sales tax collected in excess of the required debt service payments on this bond issue must be used to redeem Bonds prior to maturity.

The City has pledged a future one percent sales and use tax to repay \$4,940,000 in bonds that were issued in 2016 for the purpose of financing all or a portion of the cost related to the Fire Department, Street Department, and Streetscape Project. The pledge of revenues is on parity with the pledge of pledged revenues in favor of the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2014 and Series 2015. Total principal and interest remaining on the bonds at December 31, 2017 are \$4,375,000 and \$919,070 respectively, payable through November 1, 2035. Revenues from the pledged tax for 2017 were \$737,552 and the required principal, interest, and service fee payments for 2017 were \$676,247. Any sales tax collected in excess of the required debt service payments on this bond issue must be used to redeem Bonds prior to maturity.

The City has pledged a future one percent sales and use tax to repay \$5,100,000 in bonds that were issued in 2017 for the purpose of financing all or a portion of the cost of capital improvements related to Street and Drainage Projects. The pledge or revenues is on parity with the pledge of pledged revenues in favor of the City's Sales and Use Tax Refunding Bonds, Series 2010. Total principal and interest remaining on the bonds at December 31, 2017 are \$5,100,000 and \$2,336,566 respectively, payable through August 1, 2037. Revenues from the pledged tax for 2017 were \$0 and the required principal, interest, and service fee payments for 2017 were \$0. Any sales tax collected in excess of the debt service payments on this bond issue can be used by the City for any lawful purpose.

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 14: Pledged Revenues (Continued)

Hotel and Restaurant Gross Receipts Tax

The City has pledged a future one percent Hotel and Restaurant Gross Receipts taxes to repay \$900,000 in bonds that were issued in 2004 to refund bonds issued in 1999 to provide funding improvements to the City's swimming pool and related park facilities. Total principal and interest remaining on the bonds at December 31, 2017 are \$430,000 and \$76,755, respectively, payable through December 1, 2024. Revenues from the pledged tax for 2017 were \$243,418. Principal, interest, and service fee payments for 2017 were \$75,853. Any taxes collected in excess of the debt service requirements may be used for any lawful purpose approved by the City Advertising and Promotion Commission.

NOTE 15: Related Party Transactions

The City approved Alma Ordinance no. 2018-12 (May 17, 2018) to retroactively authorize construction work with Wimberley Construction, Inc.. City Council Member and Fire Chief, Eddie Wakefield is the father-in-law of the owner. Mr. Wakefield does not and will not in the future profit directly from any construction work done with the City of Alma. In 2017, the City had \$339,464 in expenditures with Wimberley Construction, Inc.

NOTE 16: Jointly Governed Organization

West River Valley Solid Waste Management District

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

Twelfth Judicial District Drug Task Force

The Prosecuting Attorneys of the Twelfth Judicial District and the Twenty-First Judicial District, the Sebastian and Crawford County Sheriffs' Departments, and the Police Departments of Fort Smith, Alma, Greenwood, and Barling entered into an agreement to establish the Twelfth Judicial District Drug Task Force. Funding is provided by grants and the Prosecuting Attorney's Offices, local sheriffs' departments, and local police departments. The City has not provided any funding to the Twelfth Judicial District Drug Task Force. Separate financial statements are not available.

NOTE 17: Risk Management

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

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

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

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.

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 17: Risk Management (Continued)

Municipal Vehicle Program (Continued)

- 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 18: Firemen's Pension and Relief Plan

Plan Description

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

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was \$25,425 for the year ended December 31, 2017. Based on the December 31, 2017 actuarial valuation, the plan has a net pension liability of \$119,000.

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 18: Firemen's Pension and Relief Plan (Continued)

Deferred Retirement Option Plan

The local firemen's pension and relief board of trustees approved the participation in the Arkansas Fire Fighter's Deferred Retirement Option Plan (DROP). Any full-paid fire fighter who is a member of the firemen's pension and relief fund who has at least 20 years of credited service and who is eligible to receive a service retirement pension may elect to participate in the plan. The duration of participation shall not exceed 5 years, except in certain circumstances as allowed by law.

When a member begins participation in the DROP, the contribution of the fire fighter and the employer contribution shall continue to be paid. Municipal matching contributions for employees who elect the DROP shall be credited equally to the firemen's pension and relief fund and to the deferred retirement plan. The monthly retirement benefits that would have been due had the member elected to cease employment and receive a service retirement shall be paid into the DROP account.

At the end of the five years, the participant has certain options regarding the method of payment.

At the conclusion of the member's participation, the member shall terminate employment with all participating municipalities as a fire fighter and start receiving the member's accrued monthly retirement benefit from the firemen's pension and relief fund.

**NOTE 19: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

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

Funding Policy

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

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$1,607 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$15,141 for the year ended December 31, 2017.

Net Pension Liability

The City's proportionate share of the collective net pension liability at December 31, 2017 (actuarial valuation date and measurement date) was \$147,396 for volunteers.

CITY OF ALMA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 20: 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. 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 was \$182,671 for the year ended June 30, 2017.

Net Pension Liability

The City's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$1,806,298.

CITY OF ALMA, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS				
	Advertising and Promotion	Asset Forfeiture (Police ESA)	Fire Equipment and Training (Act 833)	District Court Automation	2009 Sales and Use Tax Bond - Water and Sewer Improvements	2010 Sales and Use Tax Bond - Water and Sewer Improvements	2014 Sales and Use Tax - Park and Recreation Improvements	2014 Sales and Use Tax - Police Improvements	2014 Sales and Use Tax - Firefighting Improvements
ASSETS									
Cash and cash equivalents	\$ 320,550	\$ 7,111	\$ 106,062	\$ 12,280	\$ 73,450	\$ 225,518	\$ 472,332	\$ 12,437	\$ 1,056,566
Investments									
Accounts receivable	19,510			167					
Interfund receivables									
TOTAL ASSETS	<u>\$ 340,060</u>	<u>\$ 7,111</u>	<u>\$ 106,062</u>	<u>\$ 12,447</u>	<u>\$ 73,450</u>	<u>\$ 225,518</u>	<u>\$ 472,332</u>	<u>\$ 12,437</u>	<u>\$ 1,056,566</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 67,910				
Settlements pending									
Total Liabilities					<u>67,910</u>				
Fund Balances:									
Restricted	\$ 340,060	\$ 7,111	\$ 106,062	\$ 12,447	5,540	\$ 225,518	\$ 472,332	\$ 12,437	\$ 1,056,566
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 340,060</u>	<u>\$ 7,111</u>	<u>\$ 106,062</u>	<u>\$ 12,447</u>	<u>\$ 73,450</u>	<u>\$ 225,518</u>	<u>\$ 472,332</u>	<u>\$ 12,437</u>	<u>\$ 1,056,566</u>

CITY OF ALMA, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2017

Schedule 1

	CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS			
	2014 Sales and Use Tax - Parking Improvements	2015 Sales and Use Tax - Street Project	2016 Sales and Use Tax - Street Improvement	2016 Sales and Use Tax - Firefighting Project	2016 Sales and Use Tax - Streetscape Project	2017 Sales and Use Tax - Street and Drainage Improvements	Hotel and Restaurant Gross Receipts Tax Refunding Bond	Sales and Use Tax Bond - Series 2010 Street Improvements	Sales and Use Tax Refunding and Improvement Bond - Series 2014
ASSETS									
Cash and cash equivalents	\$ 336,405	\$ 578,097	\$ 460,442	\$ 1,786,517	\$ 2,173,005	\$ 4,751,498	\$ 36,050	\$ 428,307	\$ 492,955
Investments									
Accounts receivable								40,626	40,449
Interfund receivables		14,328							
TOTAL ASSETS	\$ 336,405	\$ 592,425	\$ 460,442	\$ 1,786,517	\$ 2,173,005	\$ 4,751,498	\$ 36,050	\$ 468,933	\$ 533,404
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable						\$ 5,192			
Settlements pending									
Total Liabilities						5,192			
Fund Balances:									
Restricted	\$ 336,405	\$ 592,425	\$ 460,442	\$ 1,786,517	\$ 2,173,005	4,746,306	\$ 36,050	\$ 468,933	\$ 533,404
TOTAL LIABILITIES AND FUND BALANCES	\$ 336,405	\$ 592,425	\$ 460,442	\$ 1,786,517	\$ 2,173,005	\$ 4,751,498	\$ 36,050	\$ 468,933	\$ 533,404

CITY OF ALMA, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2017

Schedule 1

	<u>DEBT SERVICE FUNDS</u>			<u>TRUST FUND</u>	<u>AGENCY FUNDS</u>		
	Sales and Use Tax Bond Street Project Improvements - Series 2015	Sales and Use Tax Bond - Series 2016	Sales and Use Tax Bond - Series 2017	Firemen's Pension and Relief	Administration of Justice	Police Bond and Fine	Totals
ASSETS							
Cash and cash equivalents	\$ 129,566	\$ 459,431	\$ 30,046	\$ 21,416	\$ 9	\$ 61,297	\$ 14,031,347
Investments				697,457			697,457
Accounts receivable	10,371	52,895					164,018
Interfund receivables							14,328
TOTAL ASSETS	<u>\$ 139,937</u>	<u>\$ 512,326</u>	<u>\$ 30,046</u>	<u>\$ 718,873</u>	<u>\$ 9</u>	<u>\$ 61,297</u>	<u>\$ 14,907,150</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable			\$ 30,000				\$ 103,102
Settlements pending					\$ 9	\$ 61,297	61,306
Total Liabilities			<u>30,000</u>		<u>9</u>	<u>61,297</u>	<u>164,408</u>
Fund Balances:							
Restricted	\$ 139,937	\$ 512,326	46	\$ 718,873			14,742,742
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 139,937</u>	<u>\$ 512,326</u>	<u>\$ 30,046</u>	<u>\$ 718,873</u>	<u>\$ 9</u>	<u>\$ 61,297</u>	<u>\$ 14,907,150</u>

CITY OF ALMA, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS				
	Advertising and Promotion	Asset Forfeiture (Police ESA)	Fire Equipment and Training (Act 833)	District Court Automation	2009 Sales and Use Tax Bond - Water and Sewer Improvements	2010 Sales and Use Tax Bond - Water and Sewer Improvements	2014 Sales and Use Tax - Park and Recreation Improvements	2014 Sales and Use Tax - Police Improvements	2014 Sales and Use Tax - Firefighting Improvements
REVENUES									
State aid			\$ 23,593						
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 8,218					
Interest	\$ 695	\$ 3	43	3	\$ 2,878	\$ 1,594	\$ 1,990	\$ 130	\$ 4,481
Advertising and promotion taxes	243,418								
Net increase (decrease) in the fair value of investments									
Other	1,500			492					
TOTAL REVENUES	245,613	3	23,636	8,713	2,878	1,594	1,990	130	4,481
EXPENDITURES									
Current:									
General government	69,916								
Law enforcement				4,664				29,903	
Highways and streets									
Public safety									110,937
Recreation and culture							30,565		
Total Current	69,916			4,664			30,565	29,903	110,937
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	69,916			4,664			30,565	29,903	110,937
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	175,697	3	23,636	4,049	2,878	1,594	(28,575)	(29,773)	(106,456)
OTHER FINANCING SOURCES (USES)									
Transfers in				8,398					
Transfers out	(75,855)								
Contribution to water department					(1,196,962)	(229,467)			
Bond Proceeds									
TOTAL OTHER FINANCING SOURCES (USES)	(75,855)			8,398	(1,196,962)	(229,467)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	99,842	3	23,636	12,447	(1,194,084)	(227,873)	(28,575)	(29,773)	(106,456)
FUND BALANCES - JANUARY 1	240,218	7,108	82,426		1,199,624	453,391	500,907	42,210	1,163,022
FUND BALANCES - DECEMBER 31	\$ 340,060	\$ 7,111	\$ 106,062	\$ 12,447	\$ 5,540	\$ 225,518	\$ 472,332	\$ 12,437	\$ 1,056,566

CITY OF ALMA, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	CAPITAL PROJECTS FUNDS						DEBT SERVICE FUNDS		
	2014 Sales and Use Tax - Parking Improvements	2015 Sales and Use Tax - Street Project	2016 Sales and Use Tax - Street Improvement	2016 Sales and Use Tax - Firefighting Project	2016 Sales and Use Tax - Streetscape Project	2017 Sales and Use Tax - Street and Drainage Improvements	Hotel and Restaurant Gross Receipts Tax Refunding Bond	Sales and Use Tax Bond - Series 2010 Street Improvements	Sales and Use Tax Refunding and Improvement Bond - Series 2014
REVENUES									
State aid									
Property taxes									
Sales taxes								\$ 1,360,261	\$ 452,292
Fines, forfeitures, and costs									
Interest	\$ 1,380	\$ 2,423	\$ 1,943	\$ 7,542	\$ 9,508	\$ 7,267	\$ 61	1,598	3,264
Advertising and promotion taxes									
Net increase (decrease) in the fair value of investments									
Other									
TOTAL REVENUES	1,380	2,423	1,943	7,542	9,508	7,267	61	1,361,859	455,556
EXPENDITURES									
Current:									
General government								1,900	
Law enforcement									
Highways and streets		60,803			128,997	45,392			
Public safety									
Recreation and culture									
Total Current		<u>60,803</u>			<u>128,997</u>	<u>45,392</u>		<u>1,900</u>	
Debt Service:									
Bond principal							55,000	200,000	445,000
Bond interest and other charges							20,853	73,708	101,598
TOTAL EXPENDITURES		60,803			128,997	45,392	75,853	275,608	546,598
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,380</u>	<u>(58,380)</u>	<u>1,943</u>	<u>7,542</u>	<u>(119,489)</u>	<u>(38,125)</u>	<u>(75,792)</u>	<u>1,086,251</u>	<u>(91,042)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in							75,855		
Transfers out								(997,182)	(166,905)
Contribution to water department									
Bond Proceeds						4,784,431		125,982	
TOTAL OTHER FINANCING SOURCES (USES)						4,784,431	75,855	(871,200)	(166,905)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,380	(58,380)	1,943	7,542	(119,489)	4,746,306	63	215,051	(257,947)
FUND BALANCES - JANUARY 1	<u>335,025</u>	<u>650,805</u>	<u>458,499</u>	<u>1,778,975</u>	<u>2,292,494</u>		<u>35,987</u>	<u>253,882</u>	<u>791,351</u>
FUND BALANCES - DECEMBER 31	<u>\$ 336,405</u>	<u>\$ 592,425</u>	<u>\$ 460,442</u>	<u>\$ 1,786,517</u>	<u>\$ 2,173,005</u>	<u>\$ 4,746,306</u>	<u>\$ 36,050</u>	<u>\$ 468,933</u>	<u>\$ 533,404</u>

CITY OF ALMA, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	DEBT SERVICE FUNDS			TRUST FUND	
	Sales and Use Tax Bond Street Project Improvements - Series 2015	Sales and Use Tax Bond - Series 2016	Sales and Use Tax Bond - Series 2017	Firemen's Pension and Relief	Totals
REVENUES					
State aid				\$ 4,620	\$ 28,213
Property taxes				25,425	25,425
Sales taxes	\$ 146,759	\$ 737,552			2,696,864
Fines, forfeitures, and costs					8,218
Interest	806	2,475	\$ 46	25,520	75,650
Advertising and promotion taxes					243,418
Net increase (decrease) in the fair value of investments				45,950	45,950
Other					1,992
TOTAL REVENUES	147,565	740,027	46	101,515	3,125,730
EXPENDITURES					
Current:					
General government			189,587		261,403
Law enforcement					34,567
Highways and streets					235,192
Public safety				86,349	197,286
Recreation and culture					30,565
Total Current			<u>189,587</u>	<u>86,349</u>	<u>759,013</u>
Debt Service:					
Bond principal	190,000	565,000			1,455,000
Bond interest and other charges	<u>32,241</u>	<u>111,247</u>			<u>339,647</u>
TOTAL EXPENDITURES	222,241	676,247	189,587	86,349	2,553,660
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(74,676)</u>	<u>63,780</u>	<u>(189,541)</u>	<u>15,166</u>	<u>572,070</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		166,905			251,158
Transfers out					(1,239,942)
Contribution to water department					(1,426,429)
Bond Proceeds			<u>189,587</u>		<u>5,100,000</u>
TOTAL OTHER FINANCING SOURCES (USES)		166,905	189,587		2,684,787
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(74,676)	230,685	46	15,166	3,256,857
FUND BALANCES - JANUARY 1	<u>214,613</u>	<u>281,641</u>		<u>703,707</u>	<u>11,485,885</u>
FUND BALANCES - DECEMBER 31	<u>\$ 139,937</u>	<u>\$ 512,326</u>	<u>\$ 46</u>	<u>\$ 718,873</u>	<u>\$ 14,742,742</u>

CITY OF ALMA, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Asset Forfeiture (Police ESA)	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
2009 Sales and Use Tax Bond - Water and Sewer Improvements	Alma Ordinance no. 2009-10 (November 4, 2009) authorized the issuance of sales and use tax bonds, Series 2009 for the purpose of financing all or a portion of the costs of capital improvements; pledging collections of one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2010 Sales and Use Tax Bond - Water and Sewer Improvements	Alma Ordinance no. 2010-06 (April 15, 2010) authorized the issuance of sales and use tax bonds, Series 2010 for the purpose of financing all or a portion of the costs of capital improvements; pledging collections of one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters related thereto.
2014 Sales and Use Tax - Park and Recreation Improvements	Alma Ordinance no. 2014-13 (October 16, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2014 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2014 Sales and Use Tax - Police Improvements	Alma Ordinance no. 2014-13 (October 16, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2014 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.

CITY OF ALMA, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
2014 Sales and Use Tax - Firefighting Improvements	Alma Ordinance no. 2014-13 (October 16, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2014 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2014 Sales and Use Tax - Parking Improvements	Alma Ordinance no. 2014-13 (October 16, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2014 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2015 Sales and Use Tax - Street Project	Alma Ordinance no. 2014-17 (November 20, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2015 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2016 Sales and Use Tax - Street Improvement	Alma Ordinance no. 2016-8 (September 15, 2016) authorized the issuance of sales and use tax bond, series 2016 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2016 Sales and Use Tax - Firefighting Project	Alma Ordinance no. 2016-8 (September 15, 2016) authorized the issuance of sales and use tax bond, series 2016 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2016 Sales and Use Tax - Streetscape Project	Alma Ordinance no. 2016-8 (September 15, 2016) authorized the issuance of sales and use tax bond, series 2016 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
2017 Sales and Use Tax - Street and Drainage Improvements	Alma Ordinance no. 2017-19 (August 17, 2017) authorized the issuance of sales and use tax bond, series 2017 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Hotel and Restaurant Gross Receipts Tax Refunding Bond	Alma Ordinance no. 2004-09 (September 16, 2004) authorized this fund for the payment of principal of and interest on the bonds as they become due at maturity or at redemption prior to maturity.

CITY OF ALMA, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Sales and Use Tax Bond - Series 2010 Street Improvements	Alma Ordinance no. 2010-11 (October 7, 2010) authorized the issuance of sales and use tax refunding bonds, Series 2010 for the purpose of refunding sales and use tax bond, Series 2005, and for the payment of principal of and interest on bonds as they become due at maturity or at redemption prior to maturity and other matters relating thereto.
Sales and Use Tax Refunding and Improvement Bond - Series 2014	Alma Ordinance no. 2014-13 (October 16, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2014 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Sales and Use Tax Bond Street Project Improvements - Series 2015	Alma Ordinance no. 2014-17 (November 20, 2014) authorized the issuance of sales and use tax refunding and improvement bonds, Series 2015 for the purpose of financing and refinancing the cost of capital improvements; pledging collections of a one percent sales and use tax to pay the principal of and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Sales and Use Tax Bond - Series 2016	Alma Ordinance no. 2016-8 (September 15, 2016) authorized the issuance of sales and use tax bond, series 2016 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Sales and Use Tax Bond - Series 2017	Alma Ordinance no. 2017-19 (August 17, 2017) authorized the issuance of sales and use tax bond, series 2017 for the purpose of financing the costs of capital improvements; pledging collections of a one percent sales and use tax to pay the principal and interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.
Firemen's Pension and Relief	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Police Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.

CITY OF ALMA, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2017
(Unaudited)

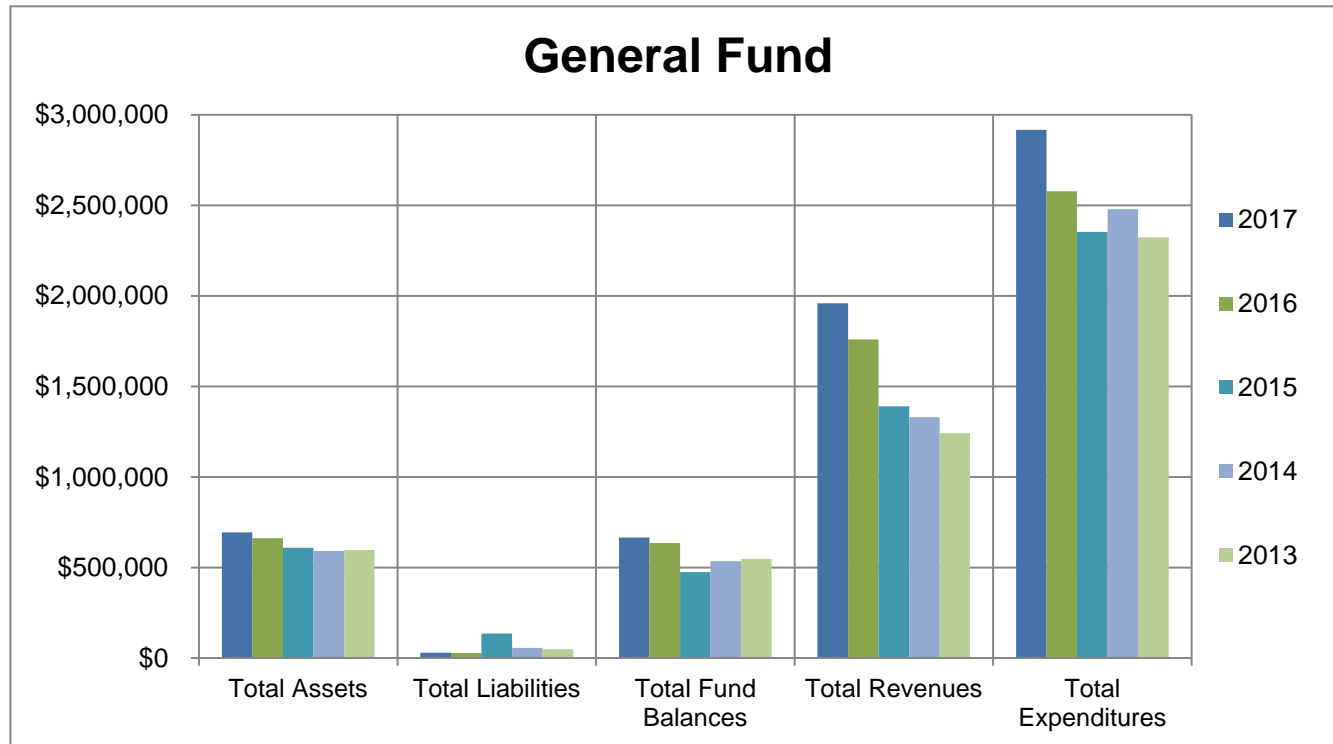
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 1,430,581
Buildings	4,075,746
Improvements	1,008,431
Equipment	<u>4,805,560</u>
Total	<u><u>\$11,320,318</u></u>

CITY OF ALMA, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

Schedule 4-1

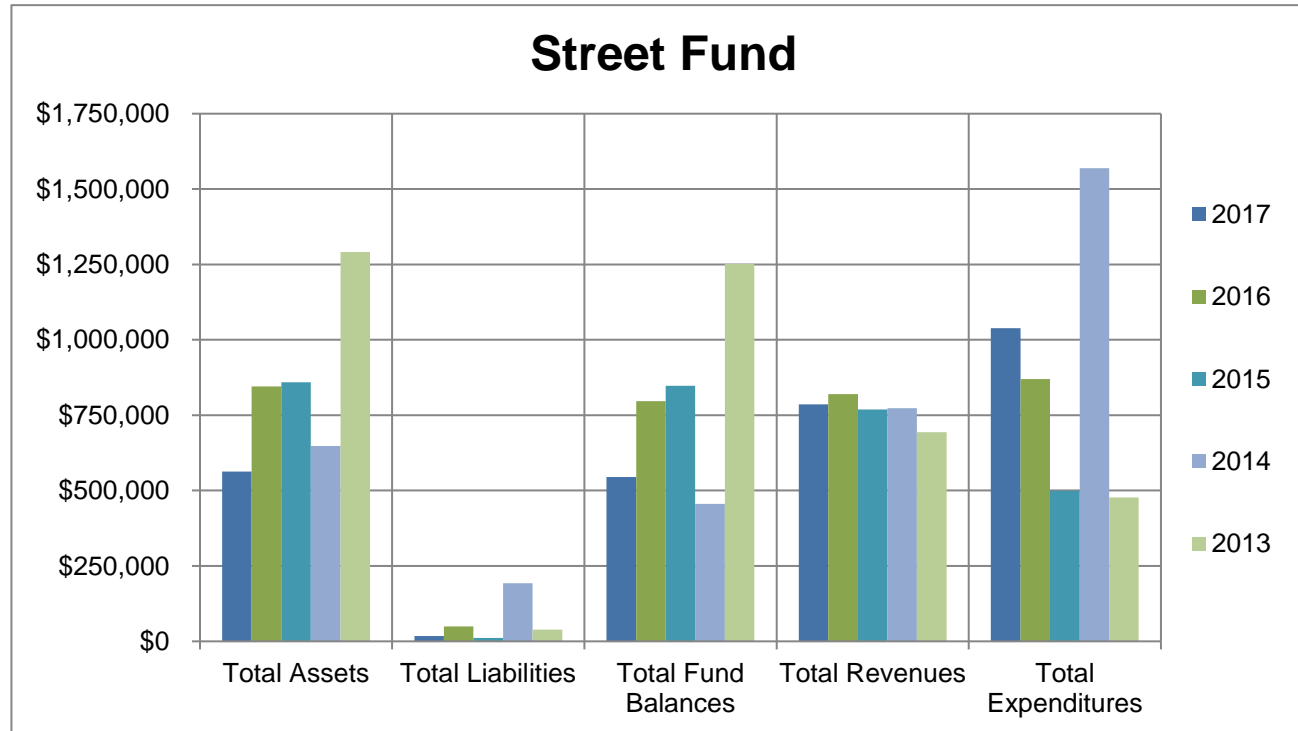
<u>General</u>	2017	2016	2015	2014	2013
Total Assets	\$ 694,624	\$ 661,393	\$ 609,634	\$ 591,014	\$ 596,840
Total Liabilities	29,775	26,631	135,305	56,212	49,277
Total Fund Balances	664,849	634,762	474,329	534,802	547,563
Total Revenues	1,958,892	1,760,349	1,390,981	1,330,390	1,241,782
Total Expenditures	2,917,589	2,577,471	2,353,166	2,478,256	2,323,464
Total Other Financing Sources/Uses	988,784	977,435	901,712	1,100,825	1,026,145



CITY OF ALMA, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

Schedule 4-2

Street	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 562,644	\$ 845,906	\$ 858,868	\$ 648,059	\$ 1,291,104
Total Liabilities	17,947	49,090	11,225	192,349	39,177
Total Fund Balances	544,697	796,816	847,643	455,710	1,251,927
Total Revenues	786,327	819,474	768,924	773,387	693,793
Total Expenditures	1,038,446	870,301	498,925	1,569,604	477,122
Total Other Financing Sources/Uses			121,934		



CITY OF ALMA, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 14,907,150	\$ 11,585,570	\$ 7,002,672	\$ 9,364,896	\$ 5,242,241
Total Liabilities	164,408	99,685	205,961	72,301	55,539
Total Fund Balances	14,742,742	11,485,885	6,796,711	9,292,595	5,186,702
Total Revenues	3,125,730	2,810,379	2,705,659	3,047,745	2,820,940
Total Expenditures	2,553,660	1,969,708	5,154,079	2,295,650	1,899,638
Total Other Financing Sources/Uses	2,684,787	3,848,503	(47,464)	3,388,078	(1,212,304)

