



CITY OF MAUMELLE, ARKANSAS

Annual Comprehensive Financial Report

For the Year Ended December 31, 2024

City of Maumelle, Arkansas
Contents
December 31, 2024

Introductory Section

Letter of Transmittal	i–iii
List of Principal Officials	iv
Organizational Structure	v

Financial Section

Independent Auditor's Report	1–3
Management's Discussion and Analysis	4–12

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Fund	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Grant Fund	22
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Improvements Grant	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to the Financial Statements	29–60

City of Maumelle, Arkansas
Contents
December 31, 2024

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date – LOPFI and APERS Plans	61–62
Schedule of Changes in the City's Net Pension Liability and Related Ratios as of the Measurement Date – Elected Officials Pension	63
Schedule of Plan Contributions	64–65
Schedule of City's Changes in Total OPEB Liability and Related Ratios	66

Supplementary Information

Nonmajor Governmental Funds	67
Combining Fund Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	69

STATISTICAL SECTION (*Not Audited*)

Net Position by Component – 10-Year Summary	70
Changes in Net Position – 10-Year Summary	71–74
Fund Balances of Governmental Funds – 10-Year Summary	75–76
Changes in Fund Balances – Governmental Funds – 10-Year Summary	77–78
Government-Wide Revenues (Program and General) – 10-Year Summary	79
General Government – Revenues by Source – 10-Year Summary	80
General Government – Revenues by Type – 10-Year Summary	81
Assessed Valuation of Real, Personal, and Utility Property – 10-Year Summary	82
Property Tax Rates – Direct and Overlapping Governments – 10-Year Summary	83
Principal Property Taxpayers – Current Year and Nine Years Ago	84
Collection of Taxes – Tax Collection of Ad Valorem Taxes – 10-Year Summary	85
Debt Structure – 10-Year Summary	86
Ratio of Outstanding Debt by Type – 10-Year Summary	87
Ratio of Bonded Debt to Assessed Value and Population – 10-Year Summary	88
Schedule of Overlapping Debt	89
Legal Debt Margin Information	90
Legal Debt Margin Trend Information – 10-Year Summary	91
Pledged Revenue Coverage Information – 10-Year Summary	92
Demographic and Economic Statistics – 10-Year Summary	93
Principal Employers – Current Year and Nine Years Ago	94

City of Maumelle, Arkansas
Contents
December 31, 2024

Full-Time Equivalent City Government Employees by Function – 10-Year Summary	95
Operating Indicators by Function/Program – 10-Year Summary	96–98
Capital Asset Statistics by Function – 10-Year Summary	99

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With <i>Government Auditing Standards</i> – Independent Auditor's Report	100–103
Independent Accountant's Report on Compliance With Certain State Acts	102

Introductory Section



June 26, 2025

To the Members of the Governing Council and Citizens of the City of Maumelle:

In accordance with state law, this Annual Comprehensive Financial Report is presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States. Under the direction of State law, the audit of every municipal corporation shall be made by either the Division of Legislative Audit or other independent persons licensed to practice accounting by the Arkansas State Board of Public Accountancy. Pursuant to that requirement, we submit to you the Annual Comprehensive Financial Report for the City of Maumelle, Arkansas, for the fiscal year ended December 31, 2024.

This report consists of management's representations concerning the finances of the City and consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Forvis Mazars, LLP a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ending December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Maumelle

The City of Maumelle was incorporated on June 20, 1985, as a political subdivision of the State of Arkansas and is located in the central part of the state. Maumelle currently occupies nine square miles of land bordering the Arkansas River and serves an estimated population of 19,452.

The City of Maumelle is formed in the Mayor-Council form of government. Legislative authority and approval of policies which represent Broad Statements of Intention are vested in the City Council consisting of eight council members. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the annual budget, and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and for appointing the various department directors. The City Council and Mayor are elected on a non-partisan basis. The Mayor is elected by the city, at large, for a term of four years. The Council members are elected by the city in wards for staggering four-year terms. The City of Maumelle provides a full range of services including police and fire protection; animal

control; planning and zoning; sanitation services; parks and recreation; senior wellness services; district court; public works and streets; and general administrative services.

The annual budget serves as the basis for the City of Maumelle's financial planning and control. All departments are required to submit requests for appropriations to the Mayor. The Mayor uses these requests as a starting point for developing a proposed budget. The proposed budget is presented to the city council for review prior to December 1 of each year. Prior to adoption, the budget is discussed in an open forum to review the presentation and to obtain department specific information. State statute requires the adoption of the budget by February 1 of each year. As a practical matter, the city council usually adopts the budget at the first council meeting in December. The budget is prepared by fund, department and subcategory (legal level of control). Department heads may request, and the Mayor may authorize, transfers within each subcategory of that department's appropriated personnel, operations, and capital improvement funds. Transfers of appropriations between departments require the approval of City Council. The legal level of budgetary control is the level of each department's subcategories: personnel, operations, and capital improvements.

Factors Affecting Financial Condition

Local Economy

The City has a stable economic environment. The City has an established industrial park consisting of warehousing, distribution centers, and light manufacturing. Retail business within the City consists of restaurants, grocery stores, dry cleaners, and dry goods. The City is served by four banks, three regional and one national.

Long-Term Financial Planning

The City's long-term Capital Improvement Program is the process by which we lay the groundwork for planning infrastructure improvements in the city. This process also sets financial parameters within which future planning and capital demand forecasts can be made. Our Capital Improvement Program enables us to provide the orderly replacement of facilities and equipment and to maintain the quality and efficiency of public services, including equipment, buildings, and other improvements. One of the strongest arguments for a well-ordered program is the ability to identify future infrastructure and capital needs prior to funding and implementation.

Relevant Financial Policies

Ordinance No. 438 was adopted in November of 2002. It sets the appropriate level of unassigned general fund balance to be maintained by the City, which is 20 percent of the current year's budgeted operating expenditures. If a situation presents itself, in which, the City Council feels that it is prudent and necessary to spend these unassigned funds, then it would need to pass an ordinance to amend or repeal ordinance 438. In a time where many state and local governments have experienced great financial turmoil, Maumelle's fund balance policy has provided great financial stability. Our General Fund's fund balance decreased by \$6,637,638 in 2024 due to capital project funds assigned for a police and fire training facility, Gateway Park, and a Drainage Grant Match. Some of this decrease is the result of transfers from the General Fund to other funds for future capital purchases.

Major Initiatives

2024 marked an exceptional year for Maumelle, characterized by project initiatives. Among those are the finalization of the Pickleball Courts and the planning for capital projects, Gateway Park and the Club Manor Corridor Street Improvements. The City managed to maintain services considering staffing shortages and supply chain issues, all while optimizing internal processes, modernizing and enhancing the way we serve the community, and strategically planning.

Acknowledgments

The preparation of the Annual Comprehensive Financial Report is a team effort performed by the entire Finance Department as well as individuals from multiple other departments. We would like to express our sincere appreciation to each and every staff member with a big "Thank You" for a job well done.

We would like to acknowledge the thorough and professional manner in which Forvis Mazars, LLP conducted the annual audit.

Finally, we would like to acknowledge the contributions of the City Council who have consistently and actively supported the City's goal of excellence in all material aspects of fiscal management.



Caleb Norris
Mayor



Beatriz Sousa
Director of Finance

Officials of the City of Maumelle, Arkansas

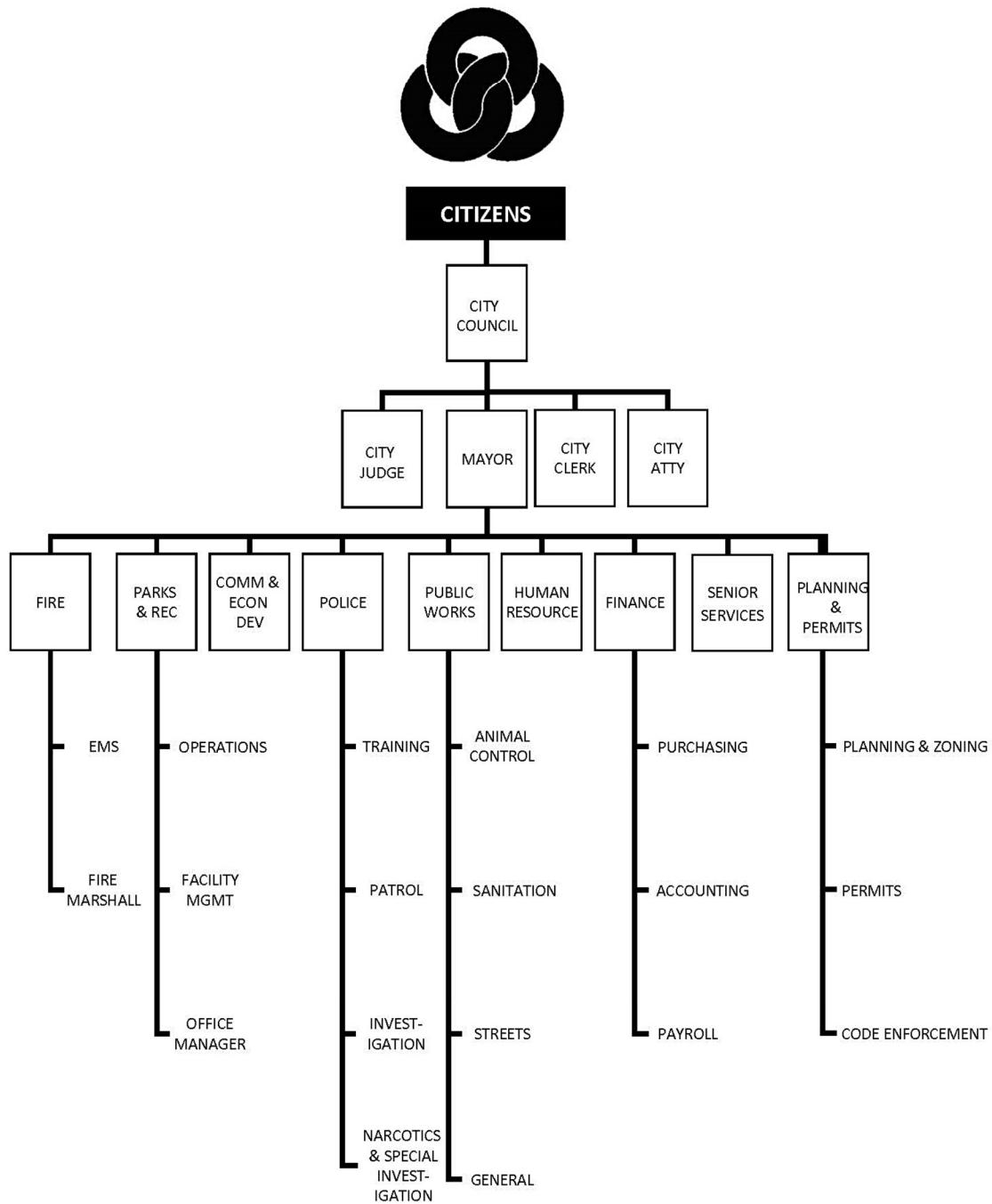
Elected Officials

Caleb Norris	Mayor
Steve Mosley	Ward 1, Position 1
Christine Gronwald	Ward 1, Position 2
R.J. Mazonni	Ward 2, Position 1
Chad Gardner	Ward 2, Position 2
Terry Williams	Ward 3, Position 1
Michael Tierney	Ward 3, Position 2
Doug Shinn	Ward 4, Position 1
Jess Holt	Ward 4, Position 2
Andrew Thornton	City Attorney
Tina Timmons	City Clerk/Treasurer
Rita Bailey	District Court Judge

City Commissions

Chair People

Billy Herrington	Civil Service Commission
David Gershner	Planning Commission
Dave Gattinger	Public Facilities Board



Financial Section

Independent Auditor's Report

Honorable Caleb Norris, Mayor
and Members of the City Council
City of Maumelle, Arkansas
Maumelle, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maumelle, 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 basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the general, street, grant, and capital improvement funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 (*Government Auditing Standards*). 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2024, the entity adopted new accounting guidance Governmental Accounting Standards Board (GASB) 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and 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.

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 12 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 June 26, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Forvis Mazars, LLP

**Little Rock, Arkansas
June 26, 2025**

Management of the City of Maumelle (City) provides this Management's Discussion and Analysis. This narrative overview of the City's financial activities is for the year ended December 31, 2024. We encourage readers to consider the information presented in conjunction with the City's financial statements, which follow.

Financial Highlights

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources as of December 31, 2024 by \$69,185,667 (presented as net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,209,452, a decrease of \$859,736, due to major capital expenditures including the pickleball complex construction, path improvements, and street improvements
- At the end of the current fiscal year, fund balance for the general fund was \$7,480,103, or 38% of total general fund expenditures, which is over the required reserves (20%).
- The City's total bonds payable decreased by \$2,005,921 due to principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property taxes and earned but unused compensated absences.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include administrative services (financial and administration), public safety, highways and streets, economic development, legal and judicial, and culture and recreation. The business-type activities of the City include sanitation services.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street fund, grant fund, capital improvement fund and the debt service fund, all of which are considered to be major funds. Data from the other seven nonmajor governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund, street fund, grant fund, and capital improvement fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 15–23 of this report.

Proprietary Funds

Although there are two different types of proprietary funds, the City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City maintains an enterprise fund to report the functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its sanitation operations. The City does not have any internal service funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the sanitation operation, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 24–26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one type of fiduciary fund and that is the courts custodial fund.

The City uses the custodial fund to account for monies received in the court system for bail bonds and court cases yet to be adjudicated. The basic fiduciary fund financial statements can be found on pages 27–28 of this report.

City of Maumelle, Arkansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29–60 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information and additional financial schedules. These can be found on pages 60–99 of this reporting package.

Government-Wide Financial Analysis

The following table looks at the City as a whole and provides a summary of its net position for 2024 compared to 2023:

City of Maumelle Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 27,476,090	\$ 27,788,759	\$ 511,797	\$ 450,768	\$ 27,987,887	\$ 28,239,527
Capital assets	66,631,366	65,817,944	548,665	809,258	67,180,031	66,627,202
Total assets	94,107,456	93,606,703	1,060,462	1,260,026	95,167,918	94,866,729
Total deferred outflows of resources	2,086,506	2,864,509	–	–	2,086,506	2,864,509
Other liabilities	1,461,932	2,159,679	169,546	31,468	1,631,478	2,191,147
Long-term liabilities	24,546,666	24,282,697	65,097	10,096	24,611,763	24,292,793
Total liabilities	26,008,598	26,442,376	234,643	41,564	26,243,241	26,483,940
Total deferred inflows of resources	1,825,516	1,552,294	–	–	1,825,516	1,552,294
Net position						
Net investment in capital assets	57,247,858	53,546,890	548,665	809,258	57,796,523	54,356,148
Restricted	5,179,370	7,084,820	–	–	5,179,370	7,084,820
Unrestricted	5,932,620	7,844,832	277,154	409,204	6,209,774	8,254,036
Total net position	\$ 68,359,848	\$ 68,476,542	\$ 825,819	\$ 1,218,462	\$ 69,185,667	\$ 69,695,004

*2023 financial information was not restated for the adoption of GASB 101, *Compensated Absences*.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,185,667 as of the end of December 31, 2024. The largest portion of the City's net position (\$57,796,523) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

City of Maumelle, Arkansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital asset themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$5,179,370, represents resources that are subject to external restrictions on how they may be used. The remaining net position of \$6,209,774 is unrestricted.

City of Maumelle, Arkansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Analysis of the City's Operations

The following table provides a summary of the City's operations for the years ended December 31, 2024 and 2023:

City of Maumelle Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 2,409,532	\$ 2,201,587	\$ 1,325,956	\$ 1,343,807	\$ 3,735,488	\$ 3,545,394
Operating grants and contributions	448,220	173,767	—	—	448,220	173,767
Capital grants and contributions	5,000	4,243	—	—	5,000	4,243
General revenues						
Property taxes	3,380,037	3,440,891	—	—	3,380,037	3,440,891
Sales taxes	13,494,152	13,767,785	—	—	13,494,152	13,767,785
Franchise taxes	1,897,471	1,921,583	—	—	1,897,471	1,921,583
Intergovernmental	1,876,698	1,805,771	—	—	1,876,698	1,805,771
Miscellaneous	714,165	52,261	—	—	714,165	52,261
Investment income	795,575	512,095	—	—	795,575	512,095
Total Revenues	25,020,850	23,879,983	1,325,956	1,343,807	26,346,806	25,223,790
Expenses						
Administrative services	4,312,814	3,576,976	—	—	4,312,814	3,576,976
Highways and streets	2,730,360	3,120,683	—	—	2,730,360	3,120,683
Legal and judicial	373,019	436,106	—	—	373,019	436,106
Culture and recreation	4,557,284	2,714,914	—	—	4,557,284	2,714,914
Public safety	11,505,107	9,399,070	—	—	11,505,107	9,399,070
Economic development	587,287	499,573	—	—	587,287	499,573
Interest on long-term debt	408,497	491,605	—	—	408,497	491,605
Sanitation	—	—	1,670,801	1,571,041	1,670,801	1,571,041
Total Expenses	24,474,368	20,238,927	1,670,801	1,571,041	26,145,169	21,809,968
Change in Net Position	546,482	3,641,056	(344,845)	(227,234)	201,637	3,413,822
Net Position – January 1, as Previously Reported *	68,476,542	64,835,486	1,218,462	1,445,696	69,695,004	66,281,182
Change in Accounting Principle	(663,176)	—	(47,798)	—	(710,974)	—
Net Position – January 1, as Restated	67,813,366	64,835,486	1,170,664	1,445,696	68,984,030	66,281,182
Net Position – December 31	\$ 68,359,848	\$ 68,476,542	\$ 825,819	\$ 1,218,462	\$ 69,185,667	\$ 69,695,004

*2023 financial information was not restated for the adoption of GASB 101, *Compensated Absences*.

Governmental Activities

Governmental activities increased the City's net position by \$546,482 for an ending balance of \$68,359,848. Governmental activities revenue increased by a \$1,140,867 (5%) from the previous year, while expenses increased by \$4,235,441 (20.93%).

At the end of 2024, operating grants and contributions in governmental funds were more than the prior year by \$274,453. This change is primarily associated with specific grants collections in 2024 related to the Club Manor Sidewalks, White Oak Roundabout, Bureau of Justice grant, Police grant, and a grant for the All-Inclusive Park. These grants were not received in 2023. Additionally, property taxes and sales taxes decreased by \$60,854 and \$273,633, respectively, due to economic development activities. The primary increase in expenses for 2024 was due to police and fire salary and benefit increases.

Business-Type Activities

Business-type activities' results for the current fiscal year decreased the City's overall net position by \$344,845 to a total ending balance of \$825,819 for business type activities (sanitation).

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,209,452, a decrease of (4)%, in comparison, with the prior year. Approximately 32% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, assigned, or committed to indicate that it is 1) not in spendable form \$73,934, 2) restricted for particular purposes \$6,532,807, or 3) committed by the City Council for particular purposes \$9,196,542.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,406,169 and total fund balance was \$7,480,103. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 38% of total General Fund expenditures, while total fund balance represents approximately 38% of that same amount. The General Fund's fund balance decreased by \$6,637,638 related to capital projects funds for a training facility, \$3,100,000; Gateway Park, \$2,409,750; and a Drainage Grant, \$698,456.

The Street Fund is a special revenue fund of the City in which the funds are restricted for specific purposes. At the end of the current fiscal year, the total fund balance of the Street Fund was \$3,820,371. The Street Fund balance decreased by \$1,501,862 primarily related to a transfer to the Grant Fund.

The Debt Services Fund includes all funds held by the trustee for payment of the City's debt. The Restricted fund balance at the end of the current fiscal year was \$1,288,932. The fund balance decreased by \$127,276 due to principal and interest bond payments.

The Grant Fund is a special revenue fund in which the funds are restricted for specific purposes. At the end of the current fiscal year, the total fund balance of the Grant Fund was \$3,847,554. The Grant Fund balance increased by \$3,266,942 primarily due to a transfer from the Street Fund and General Fund.

The Capital Improvement Fund is a special revenue fund in which funds are accumulated for capital projects. At the end of the current fiscal year, total fund balance of the Capital Improvement Fund was \$3,606,014. The fund balance increased by \$3,280,000 due to a transfer from the General Fund.

Budgetary Highlights

Original Budget Compared to Final Budget – General Fund

During the year, there were several amendments to the original budget in 2024 including the following:

- Amendment 2 to transfer 2023 open purchase orders for Pickleball Complex for \$806,464
- Amendment 2 to transfer 2023 open purchase orders for professional audit for \$59,000
- Resolution 2024-43 to cover Gateway Park construction for \$1,136,313
- Resolution 2024-29 to cover expenditures for liability insurance for \$62,000
- Resolution 2024-28 to cover expenditures for professional audit 2023 for \$26,000

Final Budget Compared to Actual Results

General Fund Revenues – General fund revenues were \$443,969 higher than budgeted. The largest revenue sources over budget were investment income and community development.

General Fund Expenditures – Overall, the general fund expenses were under budget by \$1,776,044 due primarily to some capital expenditures that were budgeted for but not completed in the 2024. Additionally, some salaries and benefits were budgeted for based on all positions being filled, but there were some vacant positions during 2024 as well as dispatching services to be paid were on budget, but the 911 dispatching Center started until 2025.

Street Fund Revenues – Street fund revenues were \$158,501 over budget. The largest revenue over budget was tax revenues due to an increase in taxes.

Street Fund Expenditures – Overall the street fund expenditures were \$1,608,482 under budget due to various budgeted capital outlay projects that were not completed in 2024 due to time constraints or planned multi-year projects.

Grant Fund Revenues – Grant fund revenues were under budget by \$2,333,671. The largest under budget was the intergovernmental revenues.

Grant Fund Expenditures – Overall, grant fund expenditures were under budget by \$6,584,490 due to the public works and street expenditures.

Capital Improvement Fund Expenditures – Overall, capital improvement fund expenditures were under budget by \$122,014.

City of Maumelle, Arkansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to \$67,180,031, net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings, equipment, vehicles, and infrastructure. The total net increase in the City's investment in capital assets for the current fiscal year was \$552,829.

Major capital asset events during the current fiscal year included the following:

- Increases in infrastructure for governmental activities totaling \$8,497,933
- Additions to governmental buildings totaling \$3,100,358
- Additions to governmental equipment totaling \$1,115,421

	City of Maumelle's Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 8,736,172	\$ 8,736,172	\$ –	\$ –	\$ 8,736,172	\$ 8,736,172
Building	39,182,576	36,082,218	250,381	250,381	39,432,957	36,332,599
Equipment	15,805,076	14,765,158	2,964,334	2,943,672	18,769,410	17,708,830
Infrastructure	46,327,043	37,829,110	–	–	46,327,043	37,829,110
Construction in progress	30,516	8,220,561	–	–	30,516	8,220,561
Lease assets	475,988	470,578	–	–	475,988	470,578
Accumulated depreciation and amortization	(43,926,005)	(40,285,853)	(2,666,050)	(2,384,795)	(46,592,055)	(42,670,648)
Total	\$ 66,631,366	\$ 65,817,944	\$ 548,665	\$ 809,258	\$ 67,180,031	\$ 66,627,202

Additional information on the City's capital assets can be found on pages 32–33 of this report.

Debt Administration

At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,246,541. The Series 2019 bonds are revenue bonds totaling \$8,360,000 secured solely by franchise fee revenue. The Series 2018 Bonds are Sales Tax bonds totaling \$4,680,000 secured solely by sales tax revenue.

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds					
2018 Series	\$ 8,360,000	\$ –	\$ 1,565,000	\$ 6,795,000	\$ 600,000
2019 Series	4,680,000	–	420,000	4,260,000	430,000
Premium	212,462	–	20,921	191,541	–
Total bonds payable	\$ 13,252,462	\$ –	\$ 2,005,921	\$ 11,246,541	\$ 1,030,000

Total long-term bonds outstanding at December 31, 2024 decreased by \$2,005,921. The decrease is related to principal payments. Additional information regarding the City's long-term debt can be found in Note 10 of this report.

Economic Factors and Next Year's Budgeted Rates

The City of Maumelle has continued to experience growth in population, economic development, and revenues. The 2025 budget was approved with General Fund revenues consistent with 2024.

Requests for Information

This financial report is designed to provide an overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be directed to the Director of Finance, City of Maumelle, 550 Edgewood Drive, Maumelle, Arkansas 72113.

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DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 17,927,434	\$ 93,646	\$ 18,021,080
Certificates of deposit	2,495,068	-	2,495,068
Taxes receivable	4,734,594	-	4,734,594
Accounts receivable – net	8,640	114,989	123,629
Prepays	73,934	303,162	377,096
Due from other funds	100,000	-	100,000
Restricted assets:			
Cash and cash equivalents	2,136,420	-	2,136,420
Capital assets – net			
Land	8,736,172	-	8,736,172
Buildings	18,353,934	101,581	18,455,515
Equipment	3,421,026	447,084	3,868,110
Infrastructure	35,905,312	-	35,905,312
Construction in progress	30,516	-	30,516
Lease assets	184,406	-	184,406
TOTAL ASSETS	94,107,456	1,060,462	95,167,918
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow – pensions	1,858,599	-	1,858,599
Deferred charge on refunding	227,907	-	227,907
TOTAL DEFERRED OUTFLOW OF RESOURCES	2,086,506	-	2,086,506
LIABILITIES			
Accounts payable	388,722	35,497	424,219
Payroll taxes payable	75,958	6,491	82,449
Other payroll withholdings payable	352,903	4,741	357,644
Other accrued payables	414,861	21,362	436,223
Accrued interest payable	172,426	-	172,426
Sales taxes payable	1,284	-	1,284
Unearned revenue	55,778	-	55,778
Due to other funds	-	100,000	100,000
Noncurrent liabilities:			
Due within one year	1,271,187	1,455	1,272,642
Due in more than one year	23,275,479	65,097	23,340,576
TOTAL LIABILITIES	26,008,598	234,643	26,243,241
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow – pensions	1,825,516	-	1,825,516
TOTAL DEFERRED INFLOWS OF RESOURCES	1,825,516	-	1,825,516
NET POSITION			
Net investment in capital assets	57,247,858	548,665	57,796,523
Restricted for:			
Debt Service	1,288,932	-	1,288,932
Streets	3,820,371	-	3,820,371
Municipal Court Automation	70,067	-	70,067
Unrestricted	5,932,620	277,154	6,209,774
TOTAL NET POSITION	\$ 68,359,848	\$ 825,819	\$ 69,185,667

FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net (Expense), Revenue, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental Activities:							
Administrative services	\$ 4,312,814	\$ -	\$ -	\$ -	\$ (4,312,814)	\$ -	\$ (4,312,814)
Legal and judicial	373,019	190,003	-	-	(183,016)	-	(183,016)
Public safety	11,505,107	1,000,949	307,172	5,000	(10,191,986)	-	(10,191,986)
Highways and streets	2,730,360	80,576	-	-	(2,649,784)	-	(2,649,784)
Culture and recreation	4,557,284	701,711	141,048	-	(3,714,525)	-	(3,714,525)
Economic development	587,287	436,293	-	-	(150,994)	-	(150,994)
Interest on long-term debt	408,497	-	-	-	(408,497)	-	(408,497)
Total governmental activities	24,474,368	2,409,532	448,220	5,000	(21,611,616)	-	(21,611,616)
Business-type activities:							
Sanitation	1,670,801	1,325,956	-	-	-	(344,845)	(344,845)
Total primary government	\$ 26,145,169	\$ 3,735,488	\$ 448,220	\$ 5,000	\$ (21,611,616)	\$ (344,845)	\$ (21,956,461)
General revenues:							
Property taxes					3,380,037	-	3,380,037
Utility franchise fees					1,897,471	-	1,897,471
Sales taxes					13,494,152	-	13,494,152
Intergovernmental – unrestricted					286,284	-	286,284
State turnback					1,590,414	-	1,590,414
Miscellaneous					710,115	-	710,115
Gain on sale of capital assets					4,050	-	4,050
Investment income					795,575	-	795,575
Total general revenues					22,158,098	-	22,158,098
Change in net position					546,482	(344,845)	201,637
NET POSITION – BEGINNING, AS PREVIOUSLY REPORTED					68,476,542	1,218,462	69,695,004
Change in Accounting Principle					(663,176)	(47,798)	(710,974)
NET POSITION, BEGINNING OF YEAR, AS RESTATED					67,813,366	1,170,664	68,984,030
NET POSITION – ENDING					<u>\$ 68,359,848</u>	<u>\$ 825,819</u>	<u>\$ 69,185,667</u>

DECEMBER 31, 2024

	General	Street	Grant Fund	Capital Improvement Fund	Debt Service	Total Nonmajor Funds	Total Government al Funds
ASSETS							
Cash	\$ 5,985,574	\$ 2,447,726	\$ 3,910,406	\$ 3,606,014	\$ -	\$ 1,977,714	\$ 17,927,434
Funds held by trustee	-	-	-	-	1,118,294	1,018,126	2,136,420
Certificates of deposit	1,265,651	1,229,417	-	-	-	-	2,495,068
Taxes receivable	3,524,953	868,365	-	-	170,638	170,638	4,734,594
Accounts receivable – net	8,640	-	-	-	-	-	8,640
Due from other funds	100,000	-	-	-	-	-	100,000
Prepays	73,934	-	-	-	-	-	73,934
TOTAL ASSETS	<u>\$ 10,958,752</u>	<u>\$ 4,545,508</u>	<u>\$ 3,910,406</u>	<u>\$ 3,606,014</u>	<u>\$ 1,288,932</u>	<u>\$ 3,166,478</u>	<u>\$ 27,476,090</u>
LIABILITIES							
Accounts payable	\$ 303,564	\$ 22,306	\$ 62,852	\$ -	\$ -	\$ -	\$ 388,722
Payroll taxes payable	82,309	7,630	-	-	-	-	89,939
Other payroll withholdings payable	335,960	2,962	-	-	-	-	338,922
Other accrued payables	393,195	22,950	-	-	-	-	416,145
Unearned Revenue – other	55,778	-	-	-	-	-	55,778
TOTAL LIABILITIES	<u>1,170,806</u>	<u>55,848</u>	<u>62,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,289,506</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue – property tax	2,307,843	669,289	-	-	-	-	2,977,132
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,307,843</u>	<u>669,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,977,132</u>
FUND BALANCES							
Nonspendable	73,934	-	-	-	-	-	73,934
Restricted	-	3,820,371	-	-	1,288,932	1,423,504	6,532,807
Committed	-	-	3,847,554	3,606,014	-	1,742,974	9,196,542
Unassigned	7,406,169	-	-	-	-	-	7,406,169
TOTAL FUND BALANCES	<u>7,480,103</u>	<u>3,820,371</u>	<u>3,847,554</u>	<u>3,606,014</u>	<u>1,288,932</u>	<u>3,166,478</u>	<u>23,209,452</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 10,958,752</u>	<u>\$ 4,545,508</u>	<u>\$ 3,910,406</u>	<u>\$ 3,606,014</u>	<u>\$ 1,288,932</u>	<u>\$ 3,166,478</u>	<u>\$ 27,476,090</u>

City of Maumelle, Arkansas
Reconciliation of Balance Sheet
Governmental Funds to the Statement of Net Position
December 31, 2024

Total Fund Balances – Governmental Funds	\$ 23,209,452
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets, net of accumulated depreciated used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	66,446,960
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	184,406
Net deferred inflows and outflows related to pensions	33,083
Long-term liabilities of \$24,546,666 and related deferred charges on refunding of \$227,907 are not due and payable in the current year and, therefore, are not reported in the governmental funds	(24,318,759)
Interest accrued on long-term debt in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(172,426)
Property taxes are recognized as revenue in the period in which levied in the government-wide financial statements but are reported as unavailable revenue in the governmental funds	2,977,132
	<hr/>
Net Position of Governmental Activities	\$ 68,359,848
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**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Street	Grant Fund	Capital Improvement Fund	Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Millage tax	\$ 2,612,820	\$ 755,241	\$ -	\$ -	\$ -	\$ -	\$ 3,368,061
Franchise fees	1,897,471	-	-	-	-	-	1,897,471
Sales tax	9,594,740	-	-	-	1,949,706	1,949,706	13,494,152
Intergovernmental revenues	735,948	1,590,414	460,761	-	-	-	2,787,123
Public safety fees	421,560	-	-	-	-	164,085	585,645
Parks and recreation fees	700,821	-	-	-	-	-	700,821
Legal and judicial fees	179,007	-	-	-	-	10,876	189,883
Community development	436,293	-	-	-	-	-	436,293
Investment income	528,812	159,880	-	-	52,843	54,040	795,575
Donations	8,104	-	35,235	-	-	-	43,339
Other revenue	680,080	4,966	-	-	-	21,415	706,461
TOTAL REVENUES	17,795,656	2,510,501	495,996	-	2,002,549	2,200,122	25,004,824
EXPENDITURES							
Administrative services	2,472,243	-	9,400	-	-	-	2,481,643
Legal and judicial	373,019	-	-	-	-	-	373,019
Public safety	10,351,466	-	73,022	-	-	6,455	10,430,943
Highways and streets	891,604	1,121,599	-	-	-	-	2,013,203
Parks and recreation	1,964,847	-	-	-	-	4,711	1,969,558
Senior services	858,440	148,824	-	-	-	-	1,007,264
Community and economic development	557,327	-	29,960	-	-	-	587,287
Debt service:							
Principal	98,485	-	-	-	1,985,000	-	2,083,485
Interest	2,480	-	-	-	412,744	-	415,224
Debt service fees	-	-	-	-	3,800	1,676	5,476
Capital outlay:							
Administrative services	5,346	-	-	-	-	-	5,346
Public safety	594,196	216,525	-	-	-	13,438	824,159
Public works and streets	297,297	1,235,762	490,425	-	-	276,544	2,300,028
Parks and recreation	1,191,296	74,000	145,701	-	-	-	1,410,997
TOTAL EXPENDITURES	19,658,046	2,796,710	748,508	-	2,401,544	302,824	25,907,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,862,390)	(286,209)	(252,512)	-	(398,995)	1,897,298	(902,808)
OTHER FINANCING SOURCES (USES)							
Issuance of debt	39,022	-	-	-	-	-	39,022
Transfers in	2,099,748	-	3,629,454	3,280,000	525,285	908,505	10,442,992
Transfers out	(6,918,068)	(1,215,653)	(110,000)	-	(253,566)	(1,945,705)	(10,442,992)
Sale of capital assets	4,050	-	-	-	-	-	4,050
TOTAL OTHER FINANCING SOURCES (USES)	(4,775,248)	(1,215,653)	3,519,454	3,280,000	271,719	(1,037,200)	43,072
Net change in fund balances	(6,637,638)	(1,501,862)	3,266,942	3,280,000	(127,276)	860,098	(859,736)
FUND BALANCE – BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	14,117,741	5,322,233	-	-	1,416,208	3,213,006	24,069,188
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	580,612	326,014	-	(906,626)	-
FUND BALANCE – BEGINNING OF YEAR, RESTATED	14,117,741	5,322,233	580,612	326,014	1,416,208	2,306,380	24,069,188
FUND BALANCE – END OF YEAR	\$ 7,480,103	\$ 3,820,371	\$ 3,847,554	\$ 3,606,014	\$ 1,288,932	\$ 3,166,478	\$ 23,209,452

City of Maumelle, Arkansas
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to
Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances – Total Governmental Funds	\$ (859,736)
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**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because**

Governmental funds report capital outlays as expenditures

However, in the statement of activities, the cost of those is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.

Capital asset purchases	4,523,667
Depreciation expense	(3,633,545)

Governmental funds report new leases as expenditures

However, in the statement of activities, the cost of the leases are amortized over the lease period and reported as amortization expense. This is the amount of leases recorded in the current period

New Leases	39,022
Amortization expense on lease assets	(98,485)
Termination of lease	(17,237)

Current-year changes in long-term liabilities for compensated absences required the use of current financial resources; therefore, they are reported as expenditures in the governmental funds but not in the statement of activities

(151,996)

Changes to net pension liability and pension-related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

(173,467)

Changes to total OPEB liability does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

(1,163,104)

Changes to interest accrued on bonds payable in current year required the use of current financial resources but are not reported as expenses in the governmental activities

11,684

The repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

2,083,485

The issuance of leases provide current financial resources to the governmental funds, but issuing leases increase long-term liabilities in the statement of net position

(39,022)

The termination of leases do not require the use of current financial resources and, therefore, are not reported as a gain in the governmental funds

17,642

City of Maumelle, Arkansas
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to
Statement of Activities
Year Ended December 31, 2024

(Continued)

Bond premiums are reported as revenue in the governmental funds and amortized over the life of the statement of activities. The purchase price in excess of face value of the Series 2019 Revenue bonds is reported as an expenditure in governmental funds and amortized over the remaining life of the original debt in the Statement of Activities	
Amortization of premium – Series 2015 bonds	20,921
Amortization of purchase price in excess of face value of Series 2019 revenue bonds	(25,323)
Net change in property tax receivables that do not provide current financial resources are not reported as revenues in the funds	<u>11,976</u>
Change in Net Position of Governmental Activities	<u><u>\$ 546,482</u></u>

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024**

	GENERAL FUND			
	Original Budget	Revised Budget	Actual	Variance
REVENUES				
Taxes	\$ 2,612,105	\$ 2,612,105	\$ 2,612,820	\$ 715
Franchise fees	1,854,000	1,854,000	1,897,471	43,471
Sales tax	9,700,000	9,700,000	9,594,740	(105,260)
Intergovernmental revenues	733,000	733,000	735,948	2,948
Public safety fees	242,924	296,623	421,560	124,937
Parks and recreation fees	737,500	737,500	700,821	(36,679)
Legal and judicial fees	194,200	194,200	179,007	(15,193)
Community development	271,000	271,000	436,293	165,293
Investment income	311,000	311,000	528,812	217,812
Donations	2,500	7,500	8,104	604
Other revenue	5,200	634,759	680,080	45,321
TOTAL REVENUES	16,663,429	17,351,687	17,795,656	443,969
EXPENDITURES				
Current expenditures:				
Administrative services	2,547,831	2,750,843	2,472,243	278,600
Legal and judicial	453,796	453,795	373,019	80,776
Public safety	10,883,757	11,149,525	10,351,466	798,059
Highways and streets	940,620	954,272	891,604	62,668
Parks and recreation	1,983,221	2,283,749	1,964,847	318,902
Senior services	760,957	927,869	858,440	69,429
Community and economic development	578,371	578,371	557,327	21,044
Total current expenditures	18,148,553	19,098,424	17,468,946	1,629,478
Debt service:				
Principal	-	-	98,485	(98,485)
Interest	-	2,500	2,480	20
Total debt service	-	2,500	100,965	(98,465)
Capital outlay:				
Administrative services	3,000	3,000	5,346	(2,346)
Public safety	600,227	696,273	594,196	102,077
Public works and streets	401,973	378,357	297,297	81,060
Parks and recreation	1,623,400	1,255,536	1,191,296	64,240
Total capital outlay	2,628,600	2,333,166	2,088,135	245,031
TOTAL EXPENDITURES	20,777,153	21,434,090	19,658,046	1,776,044
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,113,724)	(4,082,403)	(1,862,390)	2,220,013
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	39,022	39,022
Transfers in	2,000,000	2,000,000	2,099,748	99,748
Transfers out	(4,552,541)	(6,966,247)	(6,918,068)	48,179
Sale of capital assets	-	4,050	4,050	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,552,541)	(4,962,197)	(4,775,248)	186,949
NET CHANGE IN FUND BALANCE	\$ (6,666,265)	\$ (9,044,600)	(6,637,638)	\$ 2,406,962
FUND BALANCE – BEGINNING OF YEAR			14,117,741	
FUND BALANCE – END OF YEAR			<u>\$ 7,480,103</u>	

CITY OF MAUMELLE, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Street			
	Original Budget	Revised Budget	Actual	Variance
REVENUES				
Taxes	\$ 580,000	\$ 580,000	\$ 755,241	\$ 175,241
Intergovernmental revenues	1,690,000	1,690,000	1,590,414	(99,586)
Investment income	80,000	80,000	159,880	79,880
Other revenue	2,000	2,000	4,966	2,966
TOTAL REVENUES	<u>2,352,000</u>	<u>2,352,000</u>	<u>2,510,501</u>	<u>158,501</u>
EXPENDITURES				
Current expenditures:				
Highways and streets	1,908,556	1,956,896	1,121,599	835,297
Senior services	161,188	164,127	148,824	15,303
Capital outlay:				
Public safety	241,000	241,000	216,525	24,475
Public works and streets	1,449,000	1,845,168	1,235,762	609,406
Parks and recreation	100,000	198,001	74,000	124,001
TOTAL EXPENDITURES	<u>3,859,744</u>	<u>4,405,192</u>	<u>2,796,710</u>	<u>1,608,482</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,507,744)</u>	<u>(2,053,192)</u>	<u>(286,209)</u>	<u>1,766,983</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,215,653)	(1,215,653)	(1,215,653)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,215,653)</u>	<u>(1,215,653)</u>	<u>(1,215,653)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,723,397)</u>	<u>\$ (3,268,845)</u>	<u>(1,501,862)</u>	<u>\$ 1,766,983</u>
FUND BALANCE – BEGINNING OF YEAR			<u>5,322,233</u>	
FUND BALANCE – END OF YEAR			<u>\$ 3,820,371</u>	

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Grant Fund			
	Original Budget	Revised Budget	Actual	Variance
REVENUES				
Intergovernmental revenues	\$ 2,665,233	\$ 2,717,633	\$ 460,761	\$ (2,256,872)
Donations	112,034	112,034	35,235	(76,799)
TOTAL REVENUES	<u>2,777,267</u>	<u>2,829,667</u>	<u>495,996</u>	<u>(2,333,671)</u>
EXPENDITURES				
Administrative services	-	-	9,400	(9,400)
Public safety	50,000	80,455	73,022	7,433
Community and economic development	-	-	29,960	(29,960)
Public works and streets	2,468,331	7,106,842	490,425	6,616,417
Parks and recreation	-	145,701	145,701	-
TOTAL EXPENDITURES	<u>2,518,331</u>	<u>7,332,998</u>	<u>748,508</u>	<u>6,584,490</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>258,936</u>	<u>(4,503,331)</u>	<u>(252,512)</u>	<u>4,250,819</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,215,653	3,625,403	3,629,454	4,051
Transfers out	-	-	(110,000)	(110,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,215,653</u>	<u>3,625,403</u>	<u>3,519,454</u>	<u>(105,949)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,474,589</u>	<u>\$ (877,928)</u>	<u>3,266,942</u>	<u>\$ 4,144,870</u>
FUND BALANCE – BEGINNING OF YEAR			<u>580,612</u>	
FUND BALANCE – END OF YEAR			<u>\$ 3,847,554</u>	

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Capital Improvement Fund			
	Original Budget	Revised Budget	Actual	Variance
EXPENDITURES				
Parks and recreation	\$ 122,014	\$ 122,014	\$ -	\$ 122,014
TOTAL EXPENDITURES	<u>122,014</u>	<u>122,014</u>	<u>-</u>	<u>122,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(122,014)</u>	<u>(122,014)</u>	<u>-</u>	<u>122,014</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,280,000	3,280,000	3,280,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,280,000</u>	<u>3,280,000</u>	<u>3,280,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,157,986</u>	<u>\$ 3,157,986</u>	3,280,000	<u>\$ 122,014</u>
FUND BALANCE – BEGINNING OF YEAR			<u>326,014</u>	
FUND BALANCE – END OF YEAR			<u>\$ 3,606,014</u>	

DECEMBER 31, 2024

	Sanitation
ASSETS	
Current assets:	
Cash	\$ 93,646
Accounts receivable – net	114,989
Prepaid expenses	303,162
Total current assets	511,797
Noncurrent assets:	
Buildings – net	101,581
Equipment – net	447,084
Total noncurrent assets	548,665
TOTAL ASSETS	1,060,462
LIABILITIES	
Current liabilities:	
Accounts payable	35,497
Due to other funds	100,000
Payroll taxes payable	6,491
Other payroll withholdings payable	4,741
Accrued salaries	21,362
Compensated absences	65,097
Total current liabilities	233,188
Noncurrent liabilities:	
Compensated absences	1,455
Total noncurrent liabilities	1,455
TOTAL LIABILITIES	234,643
NET POSITION	
Net investment in capital assets	548,665
Unrestricted	277,154
TOTAL NET POSITION	\$ 825,819

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Sanitation
OPERATING REVENUES	
Charges for sanitation services	\$ 1,325,956
TOTAL OPERATING REVENUES	<u>1,325,956</u>
OPERATING EXPENSES	
Personnel	743,955
Operating supplies	645,591
Depreciation	<u>281,255</u>
TOTAL OPERATING EXPENSES	<u>1,670,801</u>
CHANGE IN NET POSITION	(344,845)
TOTAL NET POSITION – BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	1,218,462
Change in Accounting Principle	(47,798)
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>1,170,664</u>
TOTAL NET POSITION – END OF YEAR	<u>\$ 825,819</u>

City of Maumelle, Arkansas
Statement of Cash Flows – Proprietary Funds
Year Ended December 31, 2024

	Sanitation
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 1,325,956
Payments to suppliers	(610,502)
Payments to employees	(382,677)
Net Cash Provided by Operating Activities	<u>332,777</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	(20,662)
Net Cash Used in Capital and Related Financing Activities	<u>(20,662)</u>
Net Decrease in Cash and Cash Equivalents	(242,007)
Cash and Cash Equivalents, January 1, 2024	<u>335,653</u>
Cash and Cash Equivalents, December 31, 2024	<u><u>\$ 93,646</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (344,845)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation expense	281,255
Change in accounts receivable	126
Change in accounts payable	34,963
Change in payroll tax payable	487
Change in accrued salaries	6,570
Change in accrued expenses	303,162
Change in compensated absence payable	51,059
Total adjustments	<u>677,622</u>
Net Cash Provided by Operating Activities	<u><u>\$ 332,777</u></u>

DECEMBER 31, 2024

	District Court Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 132,018
TOTAL ASSETS	<u>132,018</u>
NET POSITION	
Restricted for:	
Amounts due to other parties	<u>\$ 132,018</u>

City of Maumelle, Arkansas
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2024

	District Court Custodial Funds
Additions	
Seized cash and other financial assets	\$ 486,086
Total Additions	<u>486,086</u>
Deductions	
Distribution of seized cash and other financial assets	<u>457,052</u>
Total Deductions	<u>457,052</u>
Change in Net Position	29,034
Net Position, Beginning of Year	<u>102,984</u>
Net Position, End of Year	<u><u>\$ 132,018</u></u>

Note 1. Summary of Significant Accounting Policies

Description of Government-Wide Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary Government is reported separately from certain legally separate component units for which the primary government is financially accountable. The City does not have any component units.

Reporting Entity

The City of Maumelle, Arkansas (City), is a municipal corporation governed by an elected mayor and eight-member council. The City was chartered on December 1, 1985 under the provisions of the State of Arkansas. The City operates under a Mayor/Council form of government and provides the following services: police and fire protection; animal control; planning and zoning; sanitation services; culture and recreation; district court; public works and streets; and general administrative services.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Expenses that cannot be specifically identified to a particular function are charged to funds based on time spent for that function and are included in the functional categories. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

Street Fund – The Street Fund is a special revenue fund derived from taxes and intergovernmental funds earmarked specifically for street expenditures.

Grant Fund – The Grant Fund is a special revenue fund derived from grants earmarked for specific projects.

Capital Improvements Fund – The Capital Improvements Fund was established to financial plan and prepare for future capital needs. Monies may only be moved into and out of this fund by the City Council by Ordinance, or Resolution, through adoption of budget or otherwise.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The City reports the following major proprietary fund:

Sanitation Fund – Proprietary Funds account for operations that are financed and operated in a manner similar to private industry. The City uses the Sanitation Fund to report the operations of the solid waste operation.

Additionally, the City reports the following fiduciary fund:

District Court Custodial Fund – The District Court Custodial Fund is a fiduciary fund that has been established to account for amounts held in custody for individuals and other governments in connection with municipal court cases not yet adjudicated.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Budgetary Information

On or before December 1, the Mayor submits to the Council a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the current year, along with estimates and actual data for the year. The budget is submitted in detailed line-item form for administrative control. The budget is legally enacted through passage of a resolution.

Formal budgetary information is employed as a management control device during the year. Budgets for the General and Special Revenue – Street Fund are adopted on the same basis of accounting as used by the City, which is a basis consistent with generally accepted accounting principles.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (*i.e.*, purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The actual results of operations, compared to the final appropriation, which include amendments to the original appropriation, for each fund type by expenditure function and revenue source are presented in the Budgetary Comparison Schedules for the General Fund and for the Street Fund for the current year.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In order to facilitate cash management, the operating cash of certain funds is pooled into common bank accounts.

Investments

Investments for the City are reported at fair value. State statutes authorize the City to invest in obligations of the U.S. Treasury, Arkansas bank certificates of deposit, and Arkansas financial institution repurchase agreements.

Prepaid Items

Payments made to vendors for services that benefit future periods are recorded as prepaid items in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed.

Receivables

Accounts receivable are recorded in the General, Special Revenue, Debt Service, and Proprietary fund types. All accounts receivable are stated at the amounts billed to customers or pending reimbursement from granting agencies. All funds utilize the allowance method of accounting for uncollectible accounts receivable where appropriate. Management uses significant judgment in estimating uncollectible amounts. While management

believes the processes effectively address its exposure to doubtful accounts, changes in economic, industry, or specific customer conditions may require adjustments.

Restricted Assets

Certain proceeds of the City’s revenue bonds and general obligation bonds, as well as certain resources set aside for the repayment of the City’s revenue bonds and general obligation bonds, are classified as restricted assets on the statement of net position and are maintained in separate bank accounts and their use is limited by applicable bond covenants. The construction accounts in the Capital Projects Fund are used to report those proceeds of bond issuances that are restricted for use in construction. The debt service bond accounts in the Debt Service Fund are used to segregate resources accumulated for debt service payments over the next 12 months. The debt service reserve accounts in the Debt Service Fund are used to segregate resources set aside to meet unexpected contingencies, as required by the applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns within the government-wide financial statements. The City defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets based on estimates provided by the Arkansas GASB Task Force and past experience with contractors. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated acquisition value of the item at the date of its donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building improvements	5 to 30 years
Equipment	3 to 10 years
Infrastructure	40 years

Lease Assets

Lease assets, a type of capital asset, are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future reporting period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is related to pensions and includes differences between expected and actual experience, net difference between projected and actual investment earnings on pension plan investments and differences related to changes in assumptions, proportionate share, and contributions. These amounts will be amortized to pension expense over the following years as shown within Note 5. The other item that

qualifies for reporting in this category is a deferred outflow for a loss on a bond refunding, which is the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized to interest expense over the shorter of the life of the refunded or new debt.

Deferred inflows of resources represent an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include unavailable property tax revenues and deferred pension inflows. Unavailable revenue arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, this item is only reported in the governmental funds balance sheet. Governmental funds report unavailable revenue from property taxes. Another item, deferred pension inflows, consists of the difference between the expected and actual experience related to the pension plans as well as the difference in assumption changes, changes in proportionate share and changes in net investment. Deferred pension inflows are amortized to pension expense over future periods as shown within Note 5.

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Long-term liabilities are only recorded to the extent that they are due and payable.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Policies

In the governmental fund financial statements, fund balances are categorized as nonspendable, restricted, committed, assigned or unassigned. A brief description of each category is as follows:

Nonspendable – represents amounts that cannot be spent due to form, for example, inventories and prepaid amounts, and amounts must remain intact legally or contractually.

Restricted – represents amounts restricted to specific purposes by external parties, constitutional provision, or enabling legislation.

Committed – represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority and it would require the same group to remove or change constraints. The City of Maumelle's highest level of decision-making authority is the Council. The formal action necessary would be an ordinance that specifically establishes, amends, or rescinds a fund balance commitment.

Assigned – represents amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has by ordinance authorized the Mayor to

assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignment generally only exists temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned – represents amounts, for the general fund, that are not classified as nonspendable, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance; whereas other governmental funds would report a residual deficit if amounts are expended in excess of resources in nonspendable, restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed. A fund's unrestricted fund balance would have committed amounts reduced first, then assigned amounts, and unassigned amounts third when expenditures meet the requirements to use unrestricted resources.

The City of Maumelle formally adopted Ordinance No. 438 in November 2002. It sets the appropriate level of unassigned general fund balance to be maintained by the City, which is 20% of the current-year budgeted operating expenditures. If a situation presents itself in which the City Council feels that it is prudent and necessary to spend these unassigned funds, then it would need to pass an ordinance to amend or repeal Ordinance No. 438.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are levied as of November 1 on property values assessed as of January 1. The property tax is considered due the first Monday in January after the levy; however, the tax is not considered delinquent until after October 16. At which time, the applicable property is subject to lien and penalties and interest are assessed. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick benefits. Employees may accumulate unused vacation but are only able to carry over a maximum of 120 hours from year to year. Upon termination, any accumulated unused vacation time will be paid to the employee. If an employee retires with the City, a portion of the unused sick leave balance will be paid to the employee. The City has adopted a policy that leave earned in the current period is used before leave earned in a previous period.

Nonuniformed City employees are allowed to accumulate and carry forward unused sick leave up to a maximum of 1,040 hours. Uniformed police officers can carryover 1,200 hours and uniformed firefighters can carryover 2,400 hours. Any accumulated unused sick leave is paid upon nonuniformed employee retirement from service with the City when the employee has worked for the city at least 30 years and/or meets certain age requirements. Uniformed employees are paid a maximum of 540 hours of sick leave at retirement. Otherwise, sick leave is not paid out when employment ends. Employees are compensated for unused sick and vacation time from the fund which the employee is assigned.

The City records a liability for compensated absences as the employee earns benefits attributable to services rendered that were unpaid at the end of the year. Additionally, the City accrues benefits for earned sick leave only to the extent it is more likely than not that the benefits will result in termination payments, rather than be taken as

absences due to illness or other contingencies. Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, such as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Sanitation Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Local Police and Fire Retirement System (LOPFI) and of the Arkansas Public Employees Retirement System (APERS) and additions/deductions from LOPFI's and APERS' fiduciary net position have been determined on the same basis as they are reported by LOPFI and APERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Change in Accounting Principle and Change Within Financial in Reporting Entity

The City adopted GASB Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. As a result of the adoption of the statement as of January 1, 2024, net position was restated as shown in the table below.

Additionally, the Grant Fund and Capital Improvement Fund were reported as nonmajor special revenue funds in 2023 but met the criteria to be major funds in 2024. Fund balance was restated for the change within reporting entity as shown below.

Reporting Units Affected by Restatements of Beginning Balances						
Funds				Government-Wide		
Major Funds						
Sanitation Fund	Grant Fund	Capital Improvement Fund	Nonmajor Governmental	Governmental Activities	Business-Type Activities	
Fund Balance/Net Position December 31, 2023, as Previously Reported						
\$ 1,218,492	\$ -	\$ -	\$ 3,213,006	\$ 68,476,542	\$ 1,218,492	
Change within financial reporting entity	-	580,612	326,014	(906,626)	-	-
Change in Accounting Principle: GASB 101 implementation	(47,798)	-	-	(663,176)	(47,798)	
Fund Balance/Net Position December 31, 2023, as Restated						
<u>\$ 1,170,694</u>	<u>\$ 580,612</u>	<u>\$ 326,014</u>	<u>\$ 2,306,380</u>	<u>\$ 67,813,366</u>	<u>\$ 1,170,694</u>	

Note 2. Cash and Deposits

As of December 31, 2024, the carrying amount of the City's deposits, including certificates of deposit, was \$22,782,606 and the bank balance was \$22,943,935. Of the bank balance, \$20,807,583 was covered by federal depository insurance or by collateral held by the City's agent in the City's name, and \$2,136,352 was collateralized with securities held by the pledging financial institution's trust department or its agent in the City's name.

The following schedule reconciles the reported amount of deposits as disclosed above to the statement of net position:

Reported amount of deposits	\$ 22,782,606
Cash on hand	1,980
	<u>\$ 22,784,586</u>
Unrestricted cash and certificates of deposit, as reported on the statement of net position	\$ 20,516,148
Restricted cash and cash equivalents, as reported on the statement of net position	2,136,420
Restricted cash, as reported on the statement of fiduciary net position	<u>132,018</u>
Total cash and cash equivalents	<u>\$ 22,784,586</u>

Note 3. Accounts Receivable

All trade receivables are shown net of an allowance for uncollectible.

Accounts receivable are as follows at December 31, 2024:

	General	Street	Debt Service	Total Nonmajor Funds	Sanitation Fund
Taxes receivable	\$ 3,524,953	\$ 868,365	\$ 170,638	\$ 170,638	\$ —
Trade receivables	—	—	—	—	114,989
Other receivables	8,640	—	—	—	—
Net total receivables	<u>\$ 3,533,593</u>	<u>\$ 868,365</u>	<u>\$ 170,638</u>	<u>\$ 170,638</u>	<u>\$ 114,989</u>

Property Tax Receivable, Deferred Revenue, and Property Tax Calendar

Property taxes are assessed, collected, and remitted to the City by Pulaski County. Taxes are levied on November 1 on the assessed value listed as of January 1 of that year for all real and personal property located in the City. Taxes are due and payable on the first Monday in January after the levy and become delinquent after October 16. The majority of collections occur between March and December. As a result, the property tax is not collected within the time frame necessary to finance the liabilities of the current period.

In the governmental funds, property taxes are measurable when levied even though they are not available, and as a result, property taxes receivable and corresponding deferred inflow of resources are recorded on the levy date. In the government-wide financial statements, property taxes receivable and related revenues are recorded on the levy date.

Accordingly, a receivable and a related revenue in the amount of \$3,236,039 have been recognized in the government-wide financial statements, while a receivable of \$3,236,039 and a related unavailable revenue from property taxes of \$2,977,132 have been recognized in the governmental fund statements.

Millage rates for 2024 taxes collectible in 2025 were 5.00 for the General Fund and 1.45 for the Street Fund.

Note 4. Capital Assets

Net capital asset activity was as follows for the year ended December 31, 2024:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Primary Government					
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 8,736,172	\$ —	\$ —	\$ —	\$ 8,736,172
Construction in progress	8,220,561	—	—	(8,190,045)	30,516
Total capital assets, not being depreciated	16,956,733	—	—	(8,190,045)	\$ 8,766,688
Capital assets, being depreciated					
Buildings	36,082,218	—	—	3,100,358	39,182,576
Equipment	14,765,158	1,115,421	(75,503)	—	15,805,076
Infrastructure	37,829,110	3,408,246	—	5,089,687	46,327,043
Total capital assets being depreciated	88,676,486	4,523,667	(75,503)	8,190,045	\$ 101,314,695
Less accumulated depreciation for					
Buildings	19,504,030	1,324,612	—	—	20,828,642
Equipment	11,391,461	1,068,092	(75,503)	—	12,384,050
Infrastructure	9,180,890	1,240,841	—	—	10,421,731
Total accumulated depreciation	40,076,381	3,633,545	(75,503)	—	43,634,423
Total capital assets being depreciated, net	48,600,105	890,122	—	8,190,045	57,680,272
Lease assets					
Equipment	470,578	39,022	(33,612)	—	475,988
Total lease assets	470,578	39,022	(33,612)	—	475,988
Less accumulated amortization for					
Equipment	209,472	98,485	(16,375)	—	291,582
Total accumulated amortization	209,472	98,485	(16,375)	—	291,582
Total capital assets being amortized, net	261,106	(59,463)	(17,237)	—	184,406
Governmental activities capital assets, net	\$ 65,817,944	\$ 830,659	\$ (17,237)	\$ —	\$ 66,631,366

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

	Beginning Balance	Additions	Disposals	Ending Balance
Business-Type Activities				
Capital assets, being depreciated				
Buildings	\$ 250,381	\$ —	\$ —	\$ 250,381
Equipment	2,943,672	20,662	—	2,964,334
Total capital assets being depreciated	<u>3,194,053</u>	<u>20,662</u>	<u>—</u>	<u>3,214,715</u>
Less accumulated depreciation for				
Buildings	139,016	9,784	—	148,800
Equipment	<u>2,245,779</u>	<u>271,471</u>	<u>—</u>	<u>2,517,250</u>
Total accumulated depreciation	<u>2,384,795</u>	<u>281,255</u>	<u>—</u>	<u>2,666,050</u>
Total capital assets being depreciated, net	<u>809,258</u>	<u>(260,593)</u>	<u>—</u>	<u>548,665</u>
Business-type activities capital assets, net	<u>\$ 809,258</u>	<u>\$ (260,593)</u>	<u>\$ —</u>	<u>\$ 548,665</u>

Depreciation and amortization expense was charged to the functions of the primary government as follows for the year ended December 31, 2024:

Governmental Activities	
Administrative Services	\$ 212,230
Public Safety	1,224,812
Public Works and Streets	1,580,462
Parks and Recreation	<u>714,526</u>
Total depreciation and amortization expense governmental activities	<u>\$ 3,732,030</u>
Business-Type Activities	
Sanitation	<u>\$ 281,255</u>
Total depreciation expense business-type activities	<u>\$ 281,255</u>

Note 5. Pension Obligations

The City participates in three defined benefit pension plans, which are comprised of two cost-sharing multiple-employer defined benefit pension plans and one single employer defined benefit plan, each of which is described and illustrated in detail below. Aggregate amounts for the three pension plans are as follows:

	LOPFI	APERS	Elected Officials	Total
Net pension liability	\$ 9,223,607	\$ 14,935	\$ 1,526,106	\$ 10,764,648
Deferred outflows, pension	1,650,986	6,597	201,016	1,858,599
Pension expense (income)	1,449,035	(3,886)	89,562	1,534,711
Deferred inflows, pension	1,383,218	22,249	420,049	1,825,516

Arkansas Local Police and Fire Retirement System (LOPFI)

Plan Description

The City participates in LOPFI, a state- wide cost-sharing, multi-employer defined benefit plan administered by a seven-member Board of Trustees and created by Act 364 of the 1981 Arkansas General Assembly. LOPFI provides retirement benefits for uniformed employees and volunteer firemen. LOPFI issues separate audited GAAP-basis post-employment benefit plan report. This report may be obtained by visiting the LOPFI website: www.lopfi-prb.com.

Benefits Provided

Benefit Program 1 provides benefits to a member with five or more years (10 or more years for members hired after July 1, 2013) of credit service in force who has attained his or her normal retirement age consist of an annuity equal to the following:

- (A) For each year of paid service resulting from employment in a position not also covered by social security, 3% of his or her final average pay (2.7% for those with retirement date prior to July 1, 2009); plus
- (B) For each year of paid service resulting from employment in a position also covered by social security, 2% or his or her final average pay. In addition, if such member is retiring and if such member's age at retirement is younger than social security's minimum age for an unreduced retirement benefit, then such member receives a temporary annuity equal to 1% of his or her final average pay for each such year of paid service. Such temporary annuity terminates at the end of the calendar month in which the earliest of the following events occur: such member's death; or his or her attainment of such social security minimum age for unreduced benefits.
- (C) In no event will the total of a. plus b. exceed, at the time of retirement, 100% of such final average pay; plus
- (D) Effective July 1, 2023, for each year of volunteer service, \$8.36 per month, to a maximum of \$334.40 monthly.
- (E) Before the date that the first payment of his or her annuity becomes due, but not thereafter, a member may elect to have his or her life annuity reduced but not any temporary annuity which may be pay and nominate a beneficiary in accordance with the provisions of one or four options. If a member does not elect an option, his or her annuity shall be paid to him as a life annuity.

Benefit program two says for each year of paid service rendered on or after the election date of Benefit two and resulting from employment in a position not also covered by social security, 3.34% of his or her final average pay, plus for each year of paid service rendered on or after the election date of Benefit Program and resulting from employment in a position also covered by social security, 3% of his or her final average pay beginning July 1, 2023. A member will receive disability benefits computed in the same manner as normal retirement benefits if the member has five or more years of credit service (or 10 years of actual service if hired on or after July 1, 2013) and terminates employment because of becoming totally and permanently disabled from non-duty-related causes. If the disability is determined to be duty related, a benefit is 65% of the member's final average pay. Prior to that date, the benefit was computed as if the member had completed 25 years of service.

Contributions

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 are:

- (A) Paid service not covered by social security: 9.5% of gross pay beginning July 1, 2023; 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- (B) Paid service also covered by social security: 3.5% of gross pay beginning July 1, 2023; 2.5% of gross pay beginning July 1 2009; no employee contributions prior to that date
- (C) Paid service-benefit program 2: 9.5% of gross pay beginning July 1, 2023; 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- (D) Volunteer service: no employee contribution

The employer contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to ensure that the individual system employers can honor their benefit commitments to covered employees. An individual entry age actuarial cost method valuation is used to determine normal cost. Contributions by the City to the Plan for the year ended December 31, 2024 were \$688,237 for Fire, \$604,657 for Police, and \$3,630 for Volunteer Fire.

For the year ended December 31, 2024, the contribution rate percentages were as follows:

LOPFI Maximum	Employee	Employer	Total
Fire	9.50%	23.50%	33.00%
Police	9.50%	23.19%	32.69%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of December 31, 2024, the City reported net pension liability for its proportionate share of the net pension liability of each plan as follows:

Maumelle Fire	\$ 4,895,066
Maumelle Police	4,300,605
Maumelle Volunteer	<u>27,936</u>
Total net pension liability	<u>\$ 9,223,607</u>

The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of December 31, 2024 are based on the ratio of each employer's contributions to the total employer contributions of the group for the fiscal year ended December 31, 2024. The contributions used excluded contributions made for prior service, excess benefits, and irregular payments.

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

The employer allocation percentages have been rounded for presentation purposes. Therefore, use of these percentages to recalculated individual employer amounts presented in the schedules of pension amounts by employer may result in immaterial differences due to rounding. The City's proportionate share of the net pension liability for each plan is as follows:

Plan	Proportionate Share %
Maumelle Fire	0.571580%
Maumelle Police	0.502170%
Maumelle Volunteer Fire	0.069490%

For the year ended December 31, 2024, the City recognized LOPFI expense of \$1,449,035. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,238,883	\$ —
Net difference between projected and actual investment earnings		
pension plan investments	—	980,703
Changes of assumptions	—	116,752
Changes in proportion and differences		
between employer contributions and share of contributions	412,103	285,763
Total	\$ 1,650,986	\$ 1,383,218

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended				
	2025	2026	2027	2028	Total
Maumelle Fire	\$ 305,253	\$ 500,194	\$(427,004)	\$(246,205)	\$ 132,238
Maumelle Police	275,401	455,844	(369,321)	(216,305)	145,619
Maumelle Volunteer	(6,150)	137	(2,678)	(1,398)	(10,089)

Actuarial Assumptions

The total pension liability as of December 31, 2024 was determined by an actuarial valuation using the following actuarial assumptions as of December 31, 2024:

Paid Service Assumptions	
Wage inflation rate	3.00%
Price inflation	2.25%
Salary increases	3.50% to 18.00%, including inflation
Investment rate of return	7.25%
Actuarial cost method	Entry age
Asset valuation method	5-year smoothed market; 20% corridor
Volunteer Service Assumptions	
Inflation	2.25%
Investment rate of return	7.25%
Actuarial cost method	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor

Mortality rates were based on the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables, set forward one year for males, and two years for females. The disability postretirement mortality tables used were the Pub-2010 Amount-Weighted General Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future and real rates of return (expected returns, net of pension plan investment expense and inflation are developed for each major asset class). These real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation, these best estimates are summarized in the following table as of December 31, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. stock		
Large cap	21.00%	5.05%
Small cap	21.00%	5.57%
International equity	9.00%	6.16%
Emerging markets	9.00%	7.79%
U.S. corporate bonds	25.00%	2.67%
Real estate	5.00%	4.62%
Private equity	10.00%	9.11%
Total	100.00%	

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The Single Discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower (6.25%) or one percent higher (8.25%).

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Maumelle Fire	\$ 8,373,126	\$ 4,895,066	\$ 2,081,648
Maumelle Police	7,356,287	4,300,605	1,828,851
Maumelle Volunteer	47,529	27,936	10,940

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LOPFI financial reports.

Arkansas Public Employees Retirement System (APERS)

Plan Description

Beginning in 2005, the City also contributes to APERS, which is a state-wide cost-sharing multiple-employer defined benefit pension plan established by authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The plan provides retirement, disability, and survivor benefits for eligible employees and elected officials of state and local governmental entities in Arkansas. The general administration and responsibility for the proper operation of APERS are vested in a nine-member board of trustees, which includes the State Auditor, State Treasurer, Director of the State Department of Finance and Administration, and three state and three non-state employees appointed by the Governor. APERS issues an unaudited publicly available financial report. This report may be obtained by visiting the APERS website: www.apers.org.

Benefits Provided

The Old Contributory Plan is available to persons who became members of APERS before January 1, 1978. The Non-Contributory Plan applies to all persons first hired after January 1, 1978 and before July 1, 2005 in APERS-covered employment. The New Contributory Plan applies to all persons hired after July 1, 2005 in APERS-covered employment or Non-Contributory members who elected to participate in the New Contributory Plan. Under the New Contributory Plan, you will receive a full benefit, after either (a) age 65 with five years of service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced by one month for each two months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service). A member will receive a reduced benefit after age 55 with five years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement proceeds normal retirement age or 1% for each month below 28 years of actual service, whichever is less. Under the Non-Contributory Plan, you will receive a full benefit after either (a) age 65 with five years of service or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced by one month for each two months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service). A member will receive a reduced benefit after age 55 with five years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement proceeds normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

Contributions

The New Contributory Plan has member contribution rate of 5% of covered compensation (pre-tax). Beginning July 1, 2022, the member contribution rate will increase in increments of 0.25% per year until it reaches that maximum 7%. Member contributions are refundable if APERS-covered employment terminates before a monthly benefit is payable. Members will earn interest on the contributions at a rate of 4% annually. The Non-Contributory Plan does not require any employee contributions for service after January 1, 1978. If there is service before January 1, 1978, contributions for that period are refundable later in the same manner as under the New Contributory Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liability for their proportionate share of \$14,935. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2024, the City proportion was 0.00060026%.

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

For the year ended December 31, 2024, the City recognized pension income of \$3,886. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 580	\$ 611
Net difference between projected and actual investment earnings on pension plan investments	433	—
Changes of assumptions	520	—
Changes in proportion and differences between employer contributions and share of contributions	2,702	21,638
Subsequent contributions	<u>2,362</u>	<u>—</u>
Total	<u><u>\$ 6,597</u></u>	<u><u>\$ 22,249</u></u>

The amount reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date of \$2,362 will be recognized as a reduction of the net pension liability for the year ending December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ (131)
2026	2,062
2027	(650)
2028	(357)
2029	<u>(18,938)</u>
	<u><u>\$ (18,014)</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of % of payroll, closed
Remaining Amortization Period	16 years
Asset Valuation Method	4-Year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Price Inflation Rate	2.50%
Wage Inflation Rate	3.25%
Investment Rate of Return	7.15%
Projected Salary Increases	3.25% to 9.85% including inflation

Mortality rates were based on the RP-2006 Healthy Annuitant benefit-weighted generational mortality tables for males and females. The disability postretirement mortality tables used were the RP-2006 Disabled Retiree benefit-

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

weighted generational mortality tables for males and females. The death-in-service mortality tables used were the RP-2006 Employee benefit-weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.

The actuarial assumptions used in the valuation were established based upon an Experience Study covering the period July 1, 2012 through June 30, 2018. The investment return assumption was changed for the June 30, 2018 valuation, and the demographic assumptions were changes for the June 30, 2019 valuation. The actuarial assumptions represent estimates of future experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation.

Best estimates of arithmetic real rates of return for each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Classes	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	39%	5.03%
International Equity	17%	6.34%
Real Estate	16%	4.57%
Private Equity	5%	9.00%
Hedge Funds	2%	3.03%
Domestic Fixed	21%	3.38%
Total	<u>100%</u>	

Discount Rate

A single discount rate of 7% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a single discount rate of 7%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Lower 6.00%	Discount Rate 7.00%	1% Higher 8.00%
City's proportionate share of the net pension liability	\$ 25,485	\$ 14,935	\$ 6,238

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued APERS financial report.

Elected Official Retirement

Plan Description

Certain state statutes as indicated below, provide for retirement of elected officials as follows:

City Attorney – A.C.A. §24-12-120 provides for a retirement for any City Attorney in Cities of the First Class upon approval of the governing body. The Maumelle City Council approved Ordinance 1007 on June 1, 2021 exercising that option. Any City Attorney who has served for not less than 10 years upon reaching the age of 60 or has served as City Attorney for 20 years without regard to age shall be entitled to retire at an annual retirement benefit during the remainder of his or her natural life, payable at the rate of one-half (1/2) of the salary payable to the city attorney at the time of his or her retirement. These benefits shall be payable monthly from the General Funds of the City. At this time, there are no current or past elected officials eligible for this benefit.

City Clerk-Treasurer – A.C.A. §24-12-121 provides for retirement benefits for any City Clerk or Clerk-treasurer in a city of the first class who has served for not less than 10 years upon reaching the age of 60 or has served as City Clerk for 20 years without regard to age. The code allows for the governing body to approve an annual cost-of-living increase up to 3%. At this time, no cost-of-living increases have been approved. The code specifies that the retirement benefits should be a monthly sum equal to one-half of the monthly salary received by the City Clerk during the last preceding year of service, and these benefits should be paid from the General Fund of the City. There are currently two past elected officials eligible for this benefit. One is currently receiving benefits, and one will be eligible at age 60. The current annual expense is approximately \$21,000.

Mayor – A.C.A. §24-12-123 provides for retirement benefits for any Mayor in a city of the first class who has served for not less than 10 years upon reaching the age of sixty or has served as City Clerk for 20 years without regard to age. The code allows for the governing body to approve an annual cost-of-living increase up to 3%. At this time, no cost-of-living increases have been approved. The code specifies that the retirement benefits should be a monthly sum equal to one-half of the monthly salary received by the Mayor during the last preceding year of service, and these benefits should be paid from the General Fund of the City. There is currently one past elected officials eligible for this benefit. The current annual expense is approximately \$40,800.

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Elected Officials Defined Benefit Plan
Actuarial valuation date	12/31/2024
Actuarial cost method	Entry age normal
Remaining amortization period	5 years
Price inflation rate	2.50%
Wage inflation rate	2.00%
Cost-of-living adjustments	None

Mortality rates were based on the PubG-2010 Healthy Retiree mortality, projected five years beyond the valuation date with Scale MP-2021.

The employees who are covered by the Plan are as follows at December 31, 2024:

	Elected Officials Defined Benefit Pension Plan
Inactive plan members receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	3
Total	6

Discount Rate

The discount rate used to measure the Total Pension Liability was 4.28% for the year ended December 31, 2024. For the purpose of this valuation, the expected rate of return on pension plan investments is 4.28%. The municipal bond rates are 4.28% (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index). Since the plan is unfunded, the resulting single discount rate is 4.28%.

Total/Net Pension Liability

Changes in the total/net pension liability are:

	Total Pension Liability	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
January 1, 2024	\$ 1,489,318	\$ –	\$ 1,489,318
Changes for the year			
Service cost	94,090	–	94,090
Interest	62,101	–	62,101
Differences between expected and actual experience	4,008	–	4,008
Changes of assumption	(61,594)	–	(61,594)
Employer contributions	–	61,817	(61,817)
Benefit payments	(61,817)	(61,817)	–
Net changes	36,788	–	36,788
December 31, 2024	<u>\$ 1,526,106</u>	<u>\$ –</u>	<u>\$ 1,526,106</u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The total pension liability of the City has been calculated using a discount rate of 4.28%. The following presents the total pension liability using a discount rate 1% higher and 1% lower than the current rate.

	Sensitivity of the Total Position Liability to the Single Discount Rate Assumption		
	1% Decrease 3.28%	Current Single Rate Assumption 4.28%	1% Increase 5.28%
City's total pension liability	\$ 1,764,028	\$ 1,526,106	\$ 1,332,961

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the City recognized pension expense of \$89,562 related to this plan.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,004	\$ 96,537
Change of assumptions	156,012	323,512
Total	<u>\$ 201,016</u>	<u>\$ 420,049</u>

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows at December 31, 2024:

<u>Year Ending December 31,</u>	
2025	\$ (66,625)
2026	(66,625)
2027	(104,779)
2028	6,332
2029	6,332
Thereafter	<u>6,332</u>
	<u><u>\$ (219,033)</u></u>

City of Maumelle, Arkansas Pension Plan

The City administers a City Pension Plan (effective March 1, 1991), a single- employer, defined contribution pension plan, in which all nonuniformed employees, who have completed one (1) year of service, may participate. The City Pension Plan provides retirement benefits to plan members. The City has authority to establish and amend the plan’s provisions and contribution requirements. The assets are held in the employee’s name and TIAA provides investment options for the employee.

Plan members are required to contribute up to 2% of their annual covered salary. The City will contribute up to 6% of annual covered salary. The Plan was amended and restated January 1, 2009 to allow each active participant who completes the years of participation in the plan set out below to become vested in the applicable percentage of the City Contribution Account:

<u>Years Vested</u>	<u>Vesting Percentage</u>
0 to 1years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

For the year ended December 31, 2024, employee contributions totaled \$84,860 and the City recognized pension expense of \$149,783.

Note 6. Other Postemployment Benefits (OPEB)

Governmental and Business-Type Activities

Plan Description – The City sponsors and administers an informal single-employer defined benefit healthcare plan. Arkansas statute provides that any municipal city official or employee vested in any of the City’s retirement plans with 20 years of service and attains 55 years of age may continue to participate in the City’s healthcare plan after retirement. The State of Arkansas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements of the plan, but all required information is presented in this report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy – The benefit payment requirements of plan members are established by the City and may be amended as needed. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the City’s health insurance plan.

The following employees were covered by benefit terms as of December 31, 2024:

Retirees or beneficiaries currently receiving benefits	2
Covered spouses	1
Active members	79
	<hr/>
Total	82
	<hr/>

Total OPEB Liability – The City’s total OPEB liability of \$1,163,104 was measured as of December 31, 2024 and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Methods and Assumptions – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.28% based on the S&P 20-year municipal bond rate
Inflation rate	2.50%
Healthcare cost trend rate	7.00% declining to an ultimate trend rate of 4.00% in fiscal year 2075
Cost method	Individual Entry-Age Normal
Mortality	PubG-2010 mortality table projected to valuation date using projection scale MP-2019.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	\$ —
Changes for the year	
Service cost	1,188,801
Interest	46,945
Difference in expected and actual experience	—
Change in assumptions	(41,999)
Benefit payments	(30,643)
Net changes	<u>1,163,104</u>
Balance at December 31, 2024	<u>\$ 1,163,104</u>

Sensitivity of the Total OPEB Liability to the Discount Rate – The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

	Discount Rate Sensitivity		
	1% Decrease 3.28%	Discount Rate 4.28%	1% Increase 5.28%
Total OPEB liability	\$ 1,322,811	\$ 1,163,104	\$ 1,028,199

Sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rates – The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it was calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate		
	1% Decrease 3.00% to 6.00%	Discount Rate 4.00% to 7.00%	1% Increase 5.00% to 8.00%
Total OPEB liability	\$ 1,014,903	\$ 1,163,104	\$ 1,339,722

Note 7. Encumbrances

As discussed in Note 1, budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year was as follows:

General fund	\$ 215,833
Street fund	530,460
Grant fund	<u>4,094,305</u>
Total	<u>\$ 4,840,598</u>

Note 8. Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage through the Arkansas Municipal League (Pool), which is an association of local governments, covering each of the above risks of loss. The City pays an annual premium to the Pool. The Pool's governing agreement specifies that the Pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop-loss amounts. Settled claims have not exceeded policy limits in any of the three preceding years, nor has there been a significant reduction in coverage during the year ended December 31, 2024.

Note 9. Lease Obligations

Lease Liabilities

The City entered into a lease agreement as lessee for the use of police vehicles. As of December 31, 2024, the value of the lease liability is \$184,406. The City of Maumelle is required to make monthly fixed payments totaling \$13,105. The leases have an interest rate of 3.8% to 9.4%. The leases have a 60-month commitment.

The following is the future principal and interest payments for the lease liability:

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 104,856	\$ 7,570
2026	47,348	2,907
2027	17,966	1,667
2028	12,369	1,183
2028	<u>1,867</u>	<u>109</u>
Total	<u>\$ 184,406</u>	<u>\$ 13,436</u>

Note 10. Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity was as follows for the year ended December 31, 2024:

	City of Maumelle's Outstanding Debt				
	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Current Portion
Governmental activities					
Bonds					
2018 Series	\$ 8,360,000	\$ —	\$ 1,565,000	\$ 6,795,000	\$ 600,000
2019 Series	4,680,000	—	420,000	4,260,000	430,000
Premium	212,462	—	20,921	191,541	—
Total bonds payable	13,252,462	—	2,005,921	11,246,541	1,030,000
Compensated absences*	1,036,376	151,996	—	1,188,372	45,873
Net pension liability	11,617,083	—	852,435	10,764,648	61,817
OPEB liability	—	1,163,104	—	1,163,104	28,641
Lease liabilities	261,106	39,022	115,722	184,406	104,856
Total governmental activity	<u>\$ 26,167,027</u>	<u>\$ 1,354,122</u>	<u>\$ 2,974,078</u>	<u>\$ 24,547,071</u>	<u>\$ 1,271,187</u>
Business-type activities					
Compensated absences*	\$ 63,291	\$ 3,261	\$ —	\$ 66,552	\$ 1,455
Total business-type activity	<u>\$ 63,291</u>	<u>\$ 3,261</u>	<u>\$ —</u>	<u>\$ 66,552</u>	<u>\$ 1,455</u>

*The changes in compensated absences are reported net.

Special Obligation Sales & Use Tax Bonds

Series 2018

The City issues special obligations bonds payable solely from collections from the 0.50% Bond Sales and Use Tax and the 0.50% Continuing Sales and Use Tax levied by the City. Tax receipts must be used solely to pay the principal and interest, Trustee's fees and expenses and other administrative charges, and any arbitrage rebate due under Section 148(f) of the Code with respect to Bonds. Collections of the Continuing Sales and Use Tax not needed to (i) ensure the prompt payment of the principal of, interest on, and the Trustee's fees and expenses and other administrative charges in connection with the Bonds; (ii) maintain the debt service reserve in the required amount; and (iii) pay any arbitrage rebate due under Section 148(f) of the Code, shall be released to the City and applied to provide funds for the operation and maintenance of the City's public safety facilities and activities including, but not limited to, the City's Police and Fire departments, street and trail repairs, street lighting, and other related public safety facilities and operations. The Bonds are secured under the Authorizing Ordinance No 959 adopted by the City of Maumelle on July 16, 2019.

Series	Purpose	Interest Rate	Amount
2018	Public Safety Activities	2.00% to 4.00%	\$ 13,915,000

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

<u>Maturity (August 1,)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Interest Amount (\$)</u>
2025	\$ 600,000	4.000%	\$ 372,382
2026	625,000	4.000%	348,381
2027	650,000	4.000%	323,381
2028	675,000	4.000%	297,381
2029	700,000	4.000%	270,381
2030	730,000	4.000%	242,381
2031	760,000	3.000%	213,181
2032	785,000	3.125%	190,381
2033	805,000	3.125%	165,850
2034	465,000	3.375%	140,694
Total	<u>\$ 6,795,000</u>		<u>\$ 2,564,393</u>

Revenue Bonds

Series 2019

The City also issues bonds where the City pledges income derived from the franchise fees charged to public utilities for the privilege of using the City's streets and rights-of-way. The Series 2005 and Series 2007 bonds were refunded in 2012, and the Series 2012 bonds were refunded in 2019 with the Series 2019 bond issue for \$6,235,000. Revenue bonds outstanding at year-end are as follows:

<u>Series</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
2019	Governmental Activities	2.125% to 3.00%	\$ 6,235,000

City of Maumelle, Arkansas
Notes to the Financial Statements
December 31, 2024

Revenue bond debt service requirements to maturity are as follows:

Maturity (November 1,)	Principal Amount (\$)	Interest Rate (%)	Interest Amount (\$)
2025	\$ 430,000	2.13%	\$ 103,605
2026	440,000	2.25%	94,468
2027	455,000	2.25%	84,568
2028	460,000	2.25%	74,330
2029	470,000	2.40%	63,980
2030	480,000	2.50%	52,700
2031	495,000	2.50%	40,700
2032	505,000	2.75%	28,325
2033	525,000	2.75%	14,438
Total	<u>\$ 4,260,000</u>		<u>\$ 557,113</u>

Legal Debt Margin – Under Amendment 62 of the Arkansas State Constitution, the City's outstanding general obligation debt should not exceed 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 City was \$108,434,091. The City has general obligation debt outstanding at the end of 2024 of \$11,055,000 less funds available for retirement of \$1,288,932, leaving a legal debt margin of \$98,668,023.

Unused Line of Credit – The City has a line of credit at one of the financial institutions where it holds deposits. As of the end of the fiscal year, the unused line of credit was \$143,000.

Note 11. Fund Balance and Net Position

Minimum Fund Balance Policy

The City of Maumelle formally adopted Ordinance No. 438 in November 2002. It sets the appropriate level of unassigned general fund balance to be maintained by the City, which is 20% of the current-year budgeted operating expenditures. If a situation presents itself in which the City Council feels that it is prudent and necessary to spend these unassigned funds, then it would need to pass an ordinance to amend or repeal Ordinance No. 438. At the end of 2024, the City's General fund balance is \$7,480,103 and the 20% of 2024 budgeted operating expenditures is \$3,819,685. The City was above the required minimum balance for 2024 by \$3,660,418 (96%).

Fund Balance

Nonspendable

Represents amounts that cannot be spent due to form, for example, inventories and prepaid amounts, and amounts must remain intact legally or contractually. The City of Maumelle's prepaid items are recorded as nonspendable fund balance. The City has \$73,934 prepaid items to report as of December 31, 2024:

Restricted

Represents amounts restricted to specific purposes by external parties, constitutional provision, or enabling legislation. Below describes the amounts in restricted for 2024:

Street Fund – a special revenue fund derived from taxes earmarked specifically for street expenditures – \$3,820,371

Debt Service Fund – used to account for the accumulation of resources for the payment of long-term debt principal, interest, and related cost – \$1,288,932.

Capital Projects Fund – used to account for major capital acquisitions and construction projects, other than those financed by proprietary funds – \$1,018,126.

District Court Automation Fund – used to account for funds to be used solely for district court-related technology – \$70,067.

Drug Control Fund – established by Arkansas Law and use for under A.C.A. 5-64-505 – \$268,096.

Act 833 Fund – used to separate the funds received through Arkansas Act 833 and their related expenses – \$50,511.

Youth Council Fund – used to account for funds to be used solely for Youth Council-related expenditures – \$16,704

Committed – represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority and it would require the same group to remove or change constraints. The City of Maumelle's highest level of decision-making authority is the Council. The formal action necessary would be an ordinance that specifically establishes, amends, or rescinds a fund balance commitment.

Grant Fund – was established in 2021 to better separate grant funds from general fund monies. The City's portion of matching funds was transferred to the grant fund for the match. The amount showing committed as of December 31, 2024 is \$3,847,554.

Capital Improvement Fund – was established by the City Council on July 1, 2019 through Ordinance 980 in order to financially plan and prepare for future capital improvement needs. Monies may only be moved into and out of this fund by the City Council by Ordinance or Resolution, through adoption of the budget, or otherwise. The amount showing committed as of December 31, 2024 is \$3,606,014.

Police & Fire Fund – was established by the City Council on July 1, 2019 through Ordinance 981 in order to provide for the disbursement of the Public Safety Tax in a manner consistent with its designated purpose. All funds received by the City of Maumelle from the 0.50% Public Safety Tax approved by the voters pursuant to Ordinance 944, and not otherwise required to pay and secure the repayment of the bonds approved pursuant to that Ordinance, shall be appropriated to the Police and Fire Fund, which shall be maintained by the Department of Finance for this purpose. The City Council may only budget the monies deposited into the Police and Fire Fund for use by the Police or Fire Departments and solely for the operation and maintenance of public safety facilities within the City, including equipment and personnel related expenses. The amount showing committed as of December 31, 2024 is \$170,668.

FEMA Grant Fund – was established in 2021 to track funds related to a large FEMA Grant. Transfers were made from the General Fund to this special revenue fund for the City's portion of the grant match. The amount showing committed as of the December 31, 2024 is \$1,572,306.

Note 12. Interfund Receivables and Payables

Interfund Receivable and Payable Balances

Interfund receivable and payable balances are as follows as of December 31, 2024:

Due To	Due From Sanitation Fund	Total
General Fund	\$ 100,000	\$ 100,000
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

Note 13. Interfund Transfers

Interfund Transfers

Interfund transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, 3) as part of a journal entry to remove closed cash accounts from the books, and 4) to transfer funds to Special Revenue Funds as directed by the City Council or to better segregate grant funds. Interfund transfers consisted of the following transactions for the year ended December 31, 2024:

Transfers Out	Transfers in Governmental Funds					Total
	General Fund	Grant Fund	Debt Service Fund	Capital Improvement Fund	Non-Major Funds	
General Fund	\$ 526	\$ 2,413,801	\$ 525,285	\$ 3,280,000	\$ 698,456	\$ 6,918,068
Street Fund	—	1,215,653	—	—	—	1,215,653
Grant Fund	—	—	—	—	110,000	110,000
Debt Service Fund	153,517	—	—	—	100,049	253,566
Non-Major Funds	1,945,705	—	—	—	—	1,945,705
Total	<u>\$ 2,099,748</u>	<u>\$ 3,629,454</u>	<u>\$ 525,285</u>	<u>\$ 3,280,000</u>	<u>\$ 908,505</u>	<u>\$ 10,442,992</u>

Note 14. Litigation

In the course of business, the City, its agencies, and its employees are defendants in legal proceedings including, but not limited to, claims against the City of property damage, personal injury, personnel and contract matters, and alleged violations of state and federal laws. It is the opinion of management that the disposition or resolution of such claims and lawsuits will not have a material adverse effect on the financial position, changes in the financial position, or cash flows of the City.

Note 15. Conduit Debt

From time to time, the City has issued economic development and other revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial, healthcare facilities, and other deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

As of December 31, 2024, the aggregate principal amount payable on these bonds was approximately \$212,000,000.

Note 16. Tax Abatement

The City provides tax reductions under an economic development program with local businesses. The objective of the economic development program is to encourage the development and rehabilitation of new and existing industrial and commercial property throughout the City by offering a real estate tax incentive. Upon approval by the City, the applicant is eligible to receive a tax incentive by which the property will typically be charged 35% of the aggregate amount of the ad valorem taxes that would be paid. This incentive results in significant tax savings for eligible applicants. For the current fiscal year, the amount of property tax revenue forgone by the City due to these incentives is estimated at approximately \$936,000.

Required Supplementary Information

City of Maumelle, Arkansas

**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
December 31, 2024**

LOPFI – Fire										
December 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.380763%	0.470231%	0.532558%	0.577410%	0.60021%	0.582360%	0.610340%	0.570210%	0.539820%	0.571580%
City's proportionate share of the net pension liability	1,378,397	2,682,810	3,784,340	5,210,420	4,638,086	4,003,639	3,084,122	6,088,040	5,403,239	4,895,066
City's covered payroll	1,470,346	2,003,441	1,839,153	2,070,075	2,160,860	2,271,172	2,367,386	2,182,207	2,482,125	2,868,543
City's proportionate share of the net pension liability as a percentage of its covered payroll	93.75%	133.91%	205.77%	251.70%	214.64%	176.28%	130.28%	278.99%	217.69%	170.65%
Plan fiduciary net position as a percentage of the Plan's total pension liability	79.14%	72.87%	71.48%	66.09%	73.21%	77.79%	84.75%	69.20%	73.50%	78.89%
LOPFI – Police										
December 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.389465%	0.418718%	0.449579%	0.473430%	0.484040%	0.460780%	0.493140%	0.513460%	0.462580%	0.502170%
City's proportionate share of the net pension liability	\$ 1,409,900	\$ 2,388,913	\$ 3,194,695	\$ 4,272,138	\$ 3,740,346	\$ 3,167,801	\$ 2,491,919	\$ 5,482,145	\$ 4,630,136	\$ 4,300,605
City's covered payroll	\$ 1,927,541	\$ 2,014,848	\$ 2,130,647	\$ 2,275,384	\$ 2,003,441	\$ 1,996,192	\$ 2,028,130	\$ 2,003,729	\$ 2,130,963	\$ 2,519,405
City's proportionate share of the net pension liability as a percentage of its covered payroll	73.15%	118.57%	149.94%	187.75%	186.70%	158.69%	122.87%	273.60%	217.28%	170.70%
Plan fiduciary net position as a percentage of the Plan's total pension liability	79.14%	72.87%	71.48%	66.09%	73.21%	77.79%	84.75%	69.20%	73.50%	78.89%

City of Maumelle, Arkansas

**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
December 31, 2024**

(Continued)

LOPFI – Volunteer Fire										
December 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.333053%	0.279408%	0.214060%	0.173400%	0.146230%	0.130270%	0.130800%	0.120020%	0.080730%	0.069490%
City's proportionate share of the net pension liability	\$ 106,398	\$ 103,475	\$ 91,316	\$ 87,710	\$ 61,415	\$ 46,353	\$ 34,479	\$ 66,668	\$ 39,389	\$ 27,936
City's covered payroll	\$ 17,815	\$ 11,005	\$ 14,315	\$ 4,275	\$ 2,003,441	\$ 1,275	\$ 1,150	\$ 1,225	\$ 940	\$ 60
City's proportionate share of the net pension liability as a percentage of its covered payroll	597.24%	940.25%	637.90%	2051.70%	3.07%	3635.53%	2998.17%	5442.29%	4190.32%	46560.00%
Plan fiduciary net position as a percentage of the Plan's total pension liability	64.58%	64.29%	64.71%	60.56%	69.21%	75.30%	82.87%	66.19%	72.07%	78.24%
APERS										
June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.004025%	0.004005%	0.003210%	0.002291%	0.001940%	0.00155809%	0.001344%	0.001940%	0.00188734%	0.000600%
City's proportionate share of the net pension liability	\$ 74,125	\$ 95,783	\$ 82,948	\$ 50,530	\$ 46,803	\$ 44,617	\$ 10,334	\$ 52,310	\$ 55,001	\$ 14,935
City's covered payroll	\$ 71,888	\$ 73,353	\$ 39,870	\$ 39,573	\$ 30,477	\$ 26,777	\$ 38,537	\$ 41,038	\$ 31,119	\$ 15,409
City's proportionate share of the net pension liability as a percentage of its covered payroll	103.11%	130.58%	208.05%	107.96%	153.57%	166.62%	26.82%	127.47%	176.74%	96.92%
Plan fiduciary net position as a percentage of the Plan's total pension liability	25.82%	75.50%	75.65%	79.59%	78.55%	75.38%	93.57%	78.31%	77.94%	81.61%

City of Maumelle, Arkansas
Schedule of Changes in the City's Net Pension Liability and Related Ratios as of the Measurement Date
Elected Officials Pension
December 31, 2024

Fiscal Year Ended December 31,	2020	2021	2022	2023	2024
Pension Liability					
Service cost	\$ 56,916	\$ 82,154	\$ 134,588	\$ 52,456	\$ 94,090
Interest	46,537	34,303	44,489	58,002	62,101
Benefit changes	—	190,407	—	—	—
Difference between actual and expected experience	1,481	4,250	(193,075)	52,968	4,008
Assumption changes	379,364	(101,766)	(473,590)	63,494	(61,594)
Benefit payments	(61,817)	(61,817)	(61,817)	(61,817)	(61,817)
Net Change in Total Pension Liability	422,481	147,531	(549,405)	165,103	36,788
Total Pension Liability – Beginning	1,303,608	1,726,089	1,873,620	1,324,215	1,489,318
Total Pension Liability – Ending	\$ 1,726,089	\$ 1,873,620	\$ 1,324,215	\$ 1,489,318	\$ 1,526,106
Covered Payroll	\$ 152,898	\$ 239,150	\$ 260,564	\$ 270,866	\$ 275,168
City's Total Pension Liability as a Percentage of Covered Payroll	1128.92%	783.45%	508.21%	549.84%	554.61%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

Change in assumptions:

The mortality rates were updated to reflect the PubG-2010 tables.

The discount rate was updated from 3.50% to 1.93% in 2021.

The discount rate was updated from 1.93% to 4.31% in 2022.

The discount rate was updated from 4.31% to 4.00% in 2023.

The discount rate was updated from 4.00% to 4.28% in 2024.

There are no assets accumulated in a trust that meet the criteria in Paragraph 4 of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*.

City of Maumelle, Arkansas
Schedule of Plan Contributions
December 31, 2024

LOPFI – Fire										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 225,955	\$ 310,675	\$ 380,967	\$ 450,857	\$ 500,888	\$ 515,070	\$ 555,869	\$ 552,962	\$ 595,710	\$ 688,237
Contributions in relation to the actuarially determined contributions	129,653	203,189	250,780	291,287	684,561	726,775	756,929	558,491	593,469	701,958
Contribution deficiency (excess)	96,302	107,486	130,187	159,570	(183,673)	(211,705)	(201,060)	(5,529)	2,241	(13,721)
Covered Payroll	<u>\$ 1,470,346</u>	<u>\$ 1,629,300</u>	<u>\$ 1,839,153</u>	<u>\$ 2,070,075</u>	<u>\$ 2,160,860</u>	<u>\$ 2,271,172</u>	<u>\$ 2,367,386</u>	<u>\$ 2,182,207</u>	<u>\$ 2,482,125</u>	<u>\$ 2,868,543</u>
Contributions as a percentage of covered payroll	8.82%	12.47%	13.64%	14.07%	31.68%	32.00%	31.97%	25.59%	23.91%	24.47%
LOPFI – Police										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 231,119	\$ 276,641	\$ 321,608	\$ 369,668	\$ 403,937	\$ 407,539	\$ 449,133	\$ 497,930	\$ 510,475	\$ 604,657
Contributions in relation to the actuarially determined contributions	133,965	157,087	204,514	233,892	574,787	592,670	622,597	502,169	513,316	614,236
Contribution deficiency (excess)	97,154	119,554	117,094	135,776	(170,850)	(185,131)	(173,464)	(4,239)	(2,841)	(9,579)
Covered payroll	<u>\$ 1,927,541</u>	<u>\$ 2,014,848</u>	<u>\$ 2,130,647</u>	<u>\$ 2,275,384</u>	<u>\$ 2,003,441</u>	<u>\$ 1,996,192</u>	<u>\$ 2,028,130</u>	<u>\$ 2,003,729</u>	<u>\$ 2,130,963</u>	<u>\$ 2,519,405</u>
Contributions as a percentage of covered payroll	6.95%	7.80%	9.60%	10.28%	28.69%	29.69%	30.70%	25.06%	24.09%	24.38%
LOPFI – Volunteer Fire										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 15,453	\$ 12,906	\$ 10,303	\$ 8,587	\$ 7,788	\$ 7,080	\$ 7,009	\$ 6,260	\$ 4,254	\$ 3,630
Contributions in relation to the actuarially determined contributions	1,528	2,331	986	773	708	708	679	2,319	–	–
Contribution deficiency (excess)	13,925	10,575	9,317	7,814	7,080	6,372	6,330	3,941	4,254	3,630
Covered payroll	<u>\$ 17,815</u>	<u>\$ 11,005</u>	<u>\$ 14,315</u>	<u>\$ 4,275</u>	<u>\$ 2,200</u>	<u>\$ 1,275</u>	<u>\$ 1,150</u>	<u>\$ 1,225</u>	<u>\$ 940</u>	<u>\$ 60</u>
Contributions as a percentage of covered payroll	8.58%	21.18%	6.89%	18.08%	32.18%	55.53%	59.04%	189.31%	0.00%	0.00%

City of Maumelle, Arkansas
Schedule of Plan Contributions
December 31, 2024

(Continued)

APERS										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 10,540	\$ 10,523	\$ 8,389	\$ 8,034	\$ 5,687	\$ 4,657	\$ 4,112	\$ 6,213	\$ 6,409	\$ 2,089
Contributions in relation to the actuarially determined contributions	10,544	10,636	5,695	6,281	6,193	5,215	5,918	6,626	4,699	2,362
Contribution deficiency (excess)	(4)	(113)	2,694	1,753	(506)	(558)	(1,806)	(413)	1,710	(273)
Covered payroll	<u>\$ 71,888</u>	<u>\$ 73,353</u>	<u>\$ 38,970</u>	<u>\$ 39,573</u>	<u>\$ 30,477</u>	<u>\$ 26,777</u>	<u>\$ 38,537</u>	<u>\$ 41,038</u>	<u>\$ 31,119</u>	<u>\$ 15,409</u>
Contributions as a percentage of covered payroll	14.67%	14.50%	14.61%	15.87%	20.32%	19.48%	15.36%	16.15%	15.10%	15.33%

Elected Official Retirement					
	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 148,084	\$ 257,457	\$ 254,901	\$ 152,721	\$ 205,371
Contributions in relation to the actuarially determined contributions	61,817	61,817	61,817	61,817	61,817
Contribution deficiency (excess)	86,267	195,640	193,084	90,904	143,554
Covered payroll	<u>\$ 152,898</u>	<u>\$ 239,150</u>	<u>\$ 260,564</u>	<u>\$ 270,865</u>	<u>\$ 275,168</u>
Contributions as a percentage of covered payroll	40.43%	25.85%	23.72%	22.82%	22.47%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled only information from those years for which information is available will be presented.

City of Maumelle, Arkansas
Schedule of the City's Changes in Total OPEB Liability and Related Ratios
Year Ended December 31, 2024

Total OPEB Liability	
Total OPEB obligation, January 1	\$ —
Service Cost	1,188,801
Interest	46,945
Differences between expected and actual experience	—
Changes of assumptions or other inputs	(41,999)
Benefit payments	(30,643)
Net change in total OPEB liability	1,163,104
Total OPEB obligation, December 31	<u>1,163,104</u>
Covered-employee payroll	<u>\$ 5,125,521</u>
Total OPEB liability as a percentage of covered-employee payroll	22.69%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Supplementary Information

Nonmajor Governmental Funds

Special revenue and capital projects funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

District Court Automation Fund

Per A.C.A. §16-13-704 (3)(A) Funds are collected from persons authorized to pay fines and any other assessments in installments and these persons are assessed an installment fee of five dollars (\$5.00) per month. This fee shall be collected in full each month in which a defendant makes an installment payment. One-half (1/2) of the installment fee collected in district court shall be remitted by the tenth day of each month to the city treasurer of the City in which the district court is located to be deposited in a fund entitled the district court automation fund to be used solely for district court-related technology. Expenditures from the district court automation fund shall be approved by a district judge and shall be authorized, pursuant to state accounting law, by the governing body or, if applicable, governing bodies which contribute to the expenses of a district court.

FEMA Grant Fund

The FEMA Grant Fund was created in 2020 to better track federal funds related to the FEMA Grant which will span several years. The City Council approved Resolution 2020-25 in September 2020 reappropriating the City's match for this grant to the FEMA Grant Fund.

Drug Control Fund

Is maintained separately per A.C.A. §15-64-505, Section 2-628 of the Maumelle City Code and pursuant to the Federal Guide to Equitable Sharing. The Arkansas Code stipulates that 80% of the proceeds of seized property sold should be deposited into the Drug Control Fund of the retaining law enforcement agency or prosecuting attorney. Monies in the Drug Control Fund shall only be used for law enforcement and prosecutorial purposes.

ACT 883 Fund

Was established in 2021 to separate the funds received through Arkansas ACT 883 and their related expenses. The funds require separate reporting, and unspent funds can be kept for up to three years. These funds are also restricted for specific purposes by the State of Arkansas.

Police and Fire Fund

The Police and Fire Fund was established by Ordinance 981 by the Maumelle City Council on July 1, 2019 in order to provide for the disbursement of the Public Safety Tax in a manner consistent with its designated purpose. All funds received by the City of Maumelle from the 0.50% Public Safety Tax approved by voters pursuant to Ordinance 944, and not otherwise required to pay and secure the repayment of the bonds approved pursuant to that Ordinance, shall be appropriated to the Police and Fire Fund, which shall be maintained by the Department of Finance for this purpose. The City Council may only budget the monies deposited into the Police and Fire Fund for use by the Police or Fire Departments and solely for the operation and maintenance of public safety facilities within the City, including equipment and personnel related expenses.

Capital Projects

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or projects other than those financed by proprietary funds.

Youth Council Fund

The Youth Council Fund was created in 2024 to better track youth council funds related to the parks and recreation department youth council. The City Council approved Resolution 2024-12 in April 2024 reappropriating the City's funds for the Youth Council.

CITY OF MAUMELLE, ARKANSAS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Special Revenue						Capital Projects	Total Nonmajor Governmental Funds
	Youth Council Fund	District Court Automation Fund	FEMA Grant Fund	Drug Control Fund	Act 833 Fund	Police and Fire Fund	Capital Projects	
ASSETS								
Cash	\$ 16,704	\$ 70,067	\$ 1,572,306	\$ 268,096	\$ 50,511	\$ 30	\$ -	\$ 1,977,714
Funds held by trustee	-	-	-	-	-	-	1,018,126	1,018,126
Taxes receivable	-	-	-	-	-	170,638	-	170,638
TOTAL ASSETS	<u>16,704</u>	<u>70,067</u>	<u>1,572,306</u>	<u>268,096</u>	<u>50,511</u>	<u>170,668</u>	<u>1,018,126</u>	<u>3,166,478</u>
FUND BALANCES								
Restricted	16,704	70,067	-	268,096	50,511	-	1,018,126	1,423,504
Committed	-	-	1,572,306	-	-	170,668	-	1,742,974
TOTAL FUND BALANCES	<u>16,704</u>	<u>70,067</u>	<u>1,572,306</u>	<u>268,096</u>	<u>50,511</u>	<u>170,668</u>	<u>1,018,126</u>	<u>3,166,478</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,704</u>	<u>\$ 70,067</u>	<u>\$ 1,572,306</u>	<u>\$ 268,096</u>	<u>\$ 50,511</u>	<u>\$ 170,668</u>	<u>\$ 1,018,126</u>	<u>\$ 3,166,478</u>

CITY OF MAUMELLE, ARKANSAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Special Revenue							Capital Projects	
	Formerly Nonmajor Fund Grant Fund	Youth Council Fund	District Court Automation Fund	FEMA Grant Fund	Formerly Nonmajor Fund Capital Improvement Fund	Drug Control Fund	Act 833 Fund	Police and Fire Fund	Total Nonmajor Governmental Funds
REVENUES									
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,949,706	\$ 1,949,706
Public safety fees	-	-	-	-	-	139,354	24,731	-	164,085
Legal and judicial fees	-	-	10,876	-	-	-	-	-	10,876
Investment income	-	-	-	-	-	-	-	54,040	54,040
Other revenue	-	21,415	-	-	-	-	-	-	21,415
TOTAL REVENUES	-	21,415	10,876	-	-	139,354	24,731	1,949,706	2,200,122
EXPENDITURES									
Public safety	-	-	-	-	-	995	5,460	-	6,455
Parks and recreation	-	4,711	-	-	-	-	-	-	4,711
Debt service fees	-	-	-	-	-	-	-	1,676	1,676
Capital outlay:									
Public safety	-	-	-	-	-	13,438	-	-	13,438
Public works and streets	-	-	-	-	-	-	-	276,544	276,544
TOTAL EXPENDITURES	-	4,711	-	-	-	14,433	5,460	278,220	302,824
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	16,704	10,876	-	-	124,921	19,271	1,949,706	1,897,298
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	698,456	-	-	-	-	908,505
Transfers out	-	-	-	-	-	-	-	(1,945,488)	(1,945,705)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	698,456	-	-	-	(1,945,488)	(1,037,200)
Net change in fund balances	-	16,704	10,876	698,456	-	124,921	19,271	4,218	860,098
FUND BALANCE – BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	580,612	-	59,191	873,850	326,014	143,175	31,240	166,450	3,213,006
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	(580,612)	-	-	-	(326,014)	-	-	-	(906,626)
FUND BALANCE – BEGINNING OF YEAR, RESTATED	-	-	59,191	873,850	-	143,175	31,240	166,450	2,306,380
FUND BALANCE – END OF YEAR	\$ -	\$ 16,704	\$ 70,067	\$ 1,572,306	\$ -	\$ 268,096	\$ 50,511	\$ 170,668	\$ 3,166,478

Statistical Section (Unaudited)

Statistical Section

This part of the City of Maumelle’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Pages
Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	70–78
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	79–85
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	86–91
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	93–85
Operating Information <i>These schedules contain information about the City’s operating environment.</i>	96–99

**City of Maumelle, Arkansas
Net Position by Component
10-Year Summary**

	2015	2016	2017	2018	2019
Governmental activities					
Net invested in capital assets	\$ 37,338,652	\$ 38,141,976	\$ 40,843,124	\$ 52,714,227	\$ 48,022,802
Restricted	3,673,667	3,976,107	2,450,092	4,311,506	4,742,950
Unrestricted	4,338,707	3,911,757	3,953,394	(4,959,792)	532,600
Total governmental activities net position	<u>\$ 45,351,026</u>	<u>\$ 46,029,840</u>	<u>\$ 47,246,610</u>	<u>\$ 52,065,941</u>	<u>\$ 53,298,352</u>
Business-type activities					
Net invested in capital assets	\$ 583,638	\$ 676,186	\$ 869,660	\$ 986,143	\$ 813,213
Unrestricted	1,201,517	1,411,595	1,391,240	1,008,850	1,176,059
Total business-type activities net position	<u>\$ 1,785,155</u>	<u>\$ 2,087,781</u>	<u>\$ 2,260,900</u>	<u>\$ 1,994,993</u>	<u>\$ 1,989,272</u>
Primary government					
Net Invested in capital assets	\$ 37,922,290	\$ 38,818,162	\$ 41,712,784	\$ 53,700,370	\$ 48,836,015
Restricted	3,673,667	3,976,107	2,450,092	4,311,506	4,742,950
Unrestricted	5,540,224	5,323,352	5,344,634	(3,950,942)	1,708,659
Total primary government net position	<u>\$ 47,136,181</u>	<u>\$ 48,117,621</u>	<u>\$ 49,507,510</u>	<u>\$ 54,060,934</u>	<u>\$ 55,287,624</u>
	2020	2021	2022	2023	2024
Governmental activities					
Net invested in capital assets	\$ 46,085,383	\$ 47,314,526	\$ 51,738,596	\$ 53,546,890	\$ 57,247,858
Restricted	5,001,893	14,680,320	7,788,538	7,084,820	5,179,370
Unrestricted	3,642,519	1,005,219	5,308,352	7,844,832	5,932,620
Total governmental activities net position	<u>\$ 54,729,795</u>	<u>\$ 63,000,065</u>	<u>\$ 64,835,486</u>	<u>\$ 68,476,542</u>	<u>\$ 68,359,848</u>
Business-type activities					
Net invested in capital assets	\$ 570,052	\$ 639,851	\$ 488,108	\$ 809,258	\$ 548,665
Unrestricted	1,059,417	987,000	957,588	409,204	277,154
Total business-type activities net position	<u>\$ 1,629,469</u>	<u>\$ 1,626,851</u>	<u>\$ 1,445,696</u>	<u>\$ 1,218,462</u>	<u>\$ 825,819</u>
Primary government					
Net invested in capital assets	\$ 46,655,435	\$ 47,954,377	\$ 52,226,704	\$ 54,356,148	\$ 57,796,523
Restricted	5,001,893	14,680,320	7,788,538	7,084,820	5,179,370
Unrestricted	4,701,936	1,992,219	6,265,940	8,254,036	6,209,774
Total primary government net position	<u>\$ 56,359,264</u>	<u>\$ 64,626,916</u>	<u>\$ 66,281,182</u>	<u>\$ 69,695,004</u>	<u>\$ 69,185,667</u>

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City of Maumelle, Arkansas
Changes in Net Position
2015–2024
10-Year Summary

	2015	2016	2017	2018	2019
Expenses					
Governmental activities					
Administrative services	\$ 2,684,683	\$ 2,672,643	\$ 2,509,889	\$ 2,796,676	\$ 3,251,552
Highways and streets	1,949,484	2,130,379	2,732,397	2,149,105	2,348,343
Legal and judicial	293,746	289,478	290,300	302,373	311,860
Culture and recreation	1,832,018	1,817,684	2,005,254	2,101,299	2,357,123
Public safety	5,860,267	7,222,789	7,432,184	8,272,546	8,939,676
Economic development	597,599	589,634	588,815	591,620	732,123
Interest on long-term debt	754,683	735,611	683,087	947,885	919,492
Agent fees on long-term debt	21,368	12,817	10,484	12,714	14,550
Bond issuance costs	243,962	—	—	277,396	123,898
Total governmental activities expenses	14,237,810	15,471,035	16,252,410	17,451,614	18,998,617
Business-type activities					
Sanitation	1,031,423	1,017,172	1,154,979	1,280,887	1,315,706
Total primary government expenses	15,269,233	16,488,207	17,407,389	18,732,501	20,314,323
Program revenues					
Governmental activities					
Charges for services					
Public safety	920,867	873,394	811,727	402,781	32,246
Culture and recreation	375,403	342,397	825,511	435,322	497,563
Economic development	194,507	198,239	224,726	258,417	193,131
Other activities	189,374	163,296	240,761	143,215	114,760
Operating grants and contributions	200,013	294,908	708,218	114,411	485,294
Capital grants and contributions	31,000	—	—	—	—
Total governmental activities program revenues	1,911,164	1,872,234	2,810,943	1,354,146	1,322,994
Business-type activities					
Charges for services	1,258,621	1,319,798	1,328,098	1,000,052	1,281,164
Total primary government program revenues	3,169,785	3,192,032	4,139,041	2,354,198	2,604,158
Net revenues (expenses)					
Governmental activities	(12,326,646)	(13,598,801)	(13,441,467)	(16,097,468)	(17,675,623)
Business-type activities	227,198	302,626	173,119	(280,835)	(34,542)
Total primary government net revenues (expenses)	(12,099,448)	(13,296,175)	(13,268,348)	(16,378,303)	(17,710,165)

City of Maumelle, Arkansas
Changes in Net Position
2015–2024
10-Year Summary

(Continued)

	2015	2016	2017	2018	2019
General revenues					
Governmental activities					
Taxes	\$ 6,546,399	\$ 6,619,143	\$ 6,772,391	\$ 10,601,891	\$ 16,771,271
Intergovernmental	7,370,459	7,586,940	7,593,855	5,666,151	1,517,929
Investment earnings	76,358	46,324	111,352	279,047	308,235
Miscellaneous	27,889	25,208	180,639	235,037	174,192
Transfers	(29,689)	—	—	—	—
Total governmental activities	13,991,416	14,277,615	14,658,237	16,782,126	18,771,627
Business-type activities					
Miscellaneous	—	—	—	14,928	28,821
Transfers	29,689	—	—	—	—
Total business-type activities					
general revenues	29,689	—	—	14,928	28,821
Total primary government general revenues	14,021,105	14,277,615	14,658,237	16,797,054	18,800,448
Changes in net position					
Governmental activities	1,664,770	678,814	1,216,770	684,658	1,232,411
Business-type activities	256,887	302,626	173,119	(265,907)	(5,721)
Total primary government changes in net position	\$ 1,921,657	\$ 981,440	\$ 1,389,889	\$ 418,751	\$ 1,226,690

City of Maumelle, Arkansas
Changes in Net Position
2015–2024
10-Year Summary

(Continued)

	2020	2021	2022	2023	2024
Expenses					
Governmental activities					
Administrative services	\$ 4,073,295	\$ 3,455,525	\$ 3,795,634	\$ 3,576,976	\$ 4,312,814
Highways and streets	2,978,657	2,975,465	3,115,713	3,120,683	2,730,360
Legal and judicial	309,698	313,611	344,421	436,106	373,019
Culture and recreation	2,362,538	2,356,510	2,385,275	2,714,914	4,557,284
Public safety	9,150,474	8,386,493	9,259,712	9,399,070	11,505,107
Economic development	566,903	661,707	563,975	499,573	587,287
Interest on long-term debt	880,609	725,335	748,437	491,605	408,497
Agent fees on long-term debt	10,450	27,617	—	—	—
Bond issuance costs	—	—	—	—	—
Total governmental activities expenses	20,332,624	18,902,263	20,213,167	20,238,927	24,474,368
Business-type activities					
Sanitation	1,666,401	1,336,790	1,528,355	1,571,041	1,670,801
Total primary government expenses	21,999,025	20,239,053	21,741,522	21,809,968	26,145,169
Program Revenues					
Governmental activities					
Charges for services					
Public safety	707,089	691,285	775,892	1,011,362	1,000,949
Culture and recreation	369,837	513,283	592,861	695,526	701,711
Economic development	258,407	266,675	574,192	297,289	436,293
Other activities	140,482	165,561	175,152	197,410	270,579
Operating grants and contributions	1,100,096	4,371,985	547,862	173,767	448,220
Capital grants and contributions	215,177	15,360	9,688	4,243	5,000
Total governmental activities program revenues	2,791,088	6,024,149	2,675,647	2,379,597	2,862,752
Business-type activities					
Charges for services	1,303,033	1,334,172	1,314,429	1,343,807	1,325,956
Total primary government program revenues	4,094,121	7,358,321	3,990,076	3,723,404	4,188,708
Net revenues (expenses)					
Governmental activities	(17,541,536)	(12,878,114)	(17,537,520)	(17,859,330)	(21,611,616)
Business-type activities	(363,368)	(2,618)	(213,926)	(227,234)	(344,845)
Total primary government net revenues (expenses)	(17,904,904)	(12,880,732)	(17,751,446)	(18,086,564)	(21,956,461)

City of Maumelle, Arkansas
Changes in Net Position
2015–2024
10-Year Summary

(Continued)

	2015	2016	2017	2018	2019
General revenues					
Governmental activities					
Taxes	\$ 17,108,787	\$ 19,182,358	\$ 17,035,984	\$ 19,130,259	\$ 18,771,660
Intergovernmental	1,543,305	1,770,229	1,948,529	1,805,771	1,876,698
Investment earnings	107,833	26,270	132,347	512,095	795,575
Miscellaneous	213,054	169,527	256,081	52,261	714,165
Transfers	—	—	—	—	—
Total governmental activities	18,972,979	21,148,384	19,372,941	21,500,386	22,158,098
Business-type activities					
Miscellaneous	3,565	—	32,771	—	—
Transfers	—	—	—	—	—
Total primary government general revenues	3,565	—	32,771	—	—
Total primary government general revenues	18,976,544	21,148,384	19,405,712	21,500,386	22,158,098
Changes in Net Position					
Governmental activities	1,431,443	8,270,270	1,835,421	3,641,056	546,482
Business-type activities	(359,803)	(2,618)	(181,155)	(227,234)	(344,845)
Total primary government changes in net position	\$ 1,071,640	\$ 8,267,652	\$ 1,654,266	\$ 3,413,822	\$ 201,637

City of Maumelle, Arkansas
Fund Balances of Governmental Funds
10-Year Summary

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 19,338	\$ 21,198	\$ 170,222	\$ —	\$ —
Restricted	—	—	—	—	—
Committed	—	—	—	—	—
Assigned	63,406	18,579	8,733	8,952	—
Unassigned	5,321,563	5,656,100	6,476,077	5,806,446	4,103,298
Total General Fund	5,404,307	5,695,877	6,655,032	5,815,398	4,103,298
All Other Governmental Funds					
Restricted reported in					
Special revenue	3,626,143	3,924,142	2,393,777	4,276,823	4,704,153
Debt service	2,366,070	2,780,287	2,628,207	3,265,472	3,957,027
Capital projects	22,928,457	15,244,076	11,690,011	10,749,568	10,148,502
Nonmajor funds	26,588	31,270	32,888	34,683	544,129
Nonspendable reported in					
Special revenue	—	—	—	—	—
Assigned reported in					
Special revenue	—	—	—	—	—
Committed reported in					
Nonmajor funds	—	—	—	—	—
Total All Other Governmental Funds	28,947,258	21,979,775	16,744,883	18,326,546	19,353,811
Total Governmental Funds	\$ 34,351,565	\$ 27,675,652	\$ 23,399,915	\$ 24,141,944	\$ 23,457,109

City of Maumelle, Arkansas
Fund Balances of Governmental Funds
10-Year Summary

(Continued)

	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 450,425	\$ 168,575	\$ 227,066	\$ 287,188	\$ 73,934
Restricted	—	—	—	—	—
Committed	—	—	—	—	—
Assigned	675,959	—	—	—	—
Unassigned	1,617,414	7,554,560	12,430,741	13,830,553	7,406,169
Total General Fund	2,743,798	7,723,135	12,657,807	14,117,741	7,480,103
All Other Governmental Funds					
Restricted reported in					
Special revenue	4,485,600	5,291,985	4,591,353	5,322,233	3,820,371
Debt service	5,263,460	5,815,139	2,088,571	1,416,208	1,288,932
Capital projects	7,323,587	6,488,200	1,405,724	1,032,474	1,018,126
Nonmajor funds	47,466	175,231	215,121	233,606	405,378
Nonspendable reported in					
Special revenue	5,003	5,959	38,495	—	—
Assigned reported in					
Special revenue	13,166	—	—	—	—
Committed reported in					
Special revenue	—	—	—	—	3,847,554
Nonmajor funds	1,983,682	1,448,155	2,282,437	2,072,834	1,742,974
Total All Other Governmental Funds	19,121,964	19,224,669	10,621,701	10,077,355	12,123,335
Total Governmental Funds	\$ 21,865,762	\$ 26,947,804	\$ 23,279,508	\$ 24,195,096	\$ 19,603,438

City of Maumelle, Arkansas
Changes in Fund Balances
Governmental Funds 2015–2024
10-Year Summary

	2015	2016	2017	2018	2019
Revenues					
General property tax	\$ 4,942,983	\$ 5,013,729	\$ 5,180,353	\$ 5,547,067	\$ 5,437,412
Licenses and permits	194,507	198,239	224,725	258,417	193,131
Intergovernmental (including sales tax)	7,345,329	7,564,113	7,546,796	9,386,600	10,943,382
Charges for services	1,242,101	1,230,901	1,321,616	836,473	548,427
Fines	180,701	150,480	128,636	142,669	112,649
Utility franchise fees	1,713,632	1,629,326	1,603,499	1,723,625	1,610,520
Investment income	76,358	46,324	111,352	279,047	308,235
Miscellaneous	159,452	417,271	1,290,988	348,559	775,684
Total Revenues	15,855,063	16,250,383	17,407,965	18,522,457	19,929,440
Expenditures					
Administrative services	1,633,764	1,654,014	1,455,927	1,593,445	2,066,775
Public works and streets	1,425,756	1,599,179	2,181,883	1,579,978	1,513,303
Parks and recreation	1,734,106	1,728,967	1,909,581	2,001,654	2,240,326
Public safety	5,252,468	5,583,862	6,005,885	6,524,115	7,201,722
Debt service, general	372,372	119,859	117,526	106,676	99,234
Debt service, principal	13,635,000	1,815,000	2,445,000	2,415,000	9,432,561
Debt service, interest	703,275	796,546	762,903	697,952	1,067,436
Other	885,997	873,291	871,889	899,285	1,041,421
Capital outlay	2,598,203	8,755,578	5,968,210	16,079,127	2,190,199
Total Expenditures	28,240,941	22,926,296	21,718,804	31,897,232	26,852,977
Other Financing Sources	19,694,272	—	35,102	14,116,804	6,238,702
Net Changes in Fund Balances	\$ 7,308,394	\$ (6,675,913)	\$ (4,275,737)	\$ 742,029	\$ (684,835)
Debt Service as a Percentage of Noncapital Expenditures	55.92%	18.43%	20.37%	19.68%	42.57%

**City of Maumelle, Arkansas
Changes in Fund Balances
Governmental Funds 2015–2024
10-Year Summary**

(Continued)

	2020	2021	2022	2023	2024
Revenues					
General property tax	\$ 5,526,377	\$ 5,628,368	\$ 5,751,577	\$ 3,016,912	\$ 3,368,061
Licenses and permits	258,407	266,675	574,192	297,289	436,293
Intergovernmental (including sales tax)	11,690,367	17,801,183	15,248,134	16,338,419	16,281,275
Charges for services	716,217	845,373	993,497	1,111,126	1,286,466
Fines	140,040	164,229	169,102	191,205	189,883
Utility franchise fees	1,592,099	1,695,574	1,871,282	1,921,583	1,897,471
Investment income	107,833	26,270	132,347	512,095	795,575
Miscellaneous	1,490,332	236,080	266,139	67,375	749,800
Total Revenues	21,521,672	26,663,752	25,006,270	23,456,004	25,004,824
Expenditures					
Administrative services	1,981,304	1,957,797	2,089,494	2,028,236	2,481,643
Public works and streets	1,779,598	1,734,137	1,985,484	2,010,779	2,013,203
Parks and recreation	2,221,037	2,214,830	2,645,101	2,608,632	2,976,822
Public safety	8,221,520	8,176,334	8,836,222	8,915,568	10,430,943
Debt service, general	10,450	27,617	14,563	7,631	5,476
Debt service, principal	2,415,000	3,605,000	8,565,000	2,868,322	2,083,485
Debt service, interest	947,399	862,994	779,013	506,682	415,224
Other	891,218	993,328	544,646	935,679	960,306
Capital outlay	4,665,884	2,121,043	3,225,593	2,828,598	4,540,530
Total Expenditures	23,133,410	21,693,080	28,685,116	22,710,127	25,907,632
Other Financing Sources	20,391	111,370	25,016,820	43,803	43,072
Net Changes in Fund Balances	\$ (1,591,347)	\$ 5,082,042	\$ 21,337,974	\$ 789,680	\$ (859,736)
Debt Service as a Percentage of Noncapital Expenditures	18.21%	22.83%	36.70%	16.98%	11.69%

City of Maumelle, Arkansas
Government-Wide Revenues (Program and General)
10-Year Summary

Year	PROGRAM REVENUES			GENERAL REVENUES			Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes and Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	
2015	\$ 2,938,772	\$ 200,013	\$ 31,000	\$ 13,916,858	\$ 76,358	\$ 27,889	\$ 17,190,890
2016	2,897,124	294,908	—	14,206,083	46,324	25,208	17,469,647
2017	3,430,823	708,218	—	14,366,246	111,352	180,639	18,797,278
2018	2,239,797	31,075	83,336	16,268,042	279,047	249,965	19,151,262
2019	2,119,096	32,572	591,015	18,289,200	308,235	200,595	21,540,713
2020	2,778,848	1,100,096	215,177	18,652,092	107,833	216,619	23,070,665
2021	2,970,976	4,371,985	15,360	20,952,587	26,270	169,527	28,506,705
2022	3,432,526	547,862	9,688	18,984,513	132,347	288,852	23,395,788
2023	3,545,394	173,767	4,243	20,936,030	512,095	52,261	25,223,790
2024	3,735,488	448,220	5,000	20,648,358	795,575	714,165	26,346,806

City of Maumelle, Arkansas
General Government – Revenues by Source
10-Year Summary

Year	Administrative Services	Public Safety	Highways and Streets	Culture and Recreation	Municipal Court	Debt Service	Total
2015	\$ 10,262,962	\$ 876,709	\$ 1,680,109	\$ 365,392	\$ 180,701	\$ 2,489,190	\$ 15,855,063
2016	10,650,076	888,503	1,689,477	342,398	150,480	2,529,449	16,250,383
2017	11,603,913	848,545	1,752,220	473,071	128,636	2,601,580	17,407,965
2018	12,309,684	401,591	1,993,262	434,882	142,669	3,240,369	18,522,457
2019	14,250,204	50,909	2,295,234	497,518	112,649	2,722,926	19,929,440
2020	15,796,890	346,589	2,087,535	369,628	140,040	2,780,990	21,521,672
2021	20,663,065	332,632	2,144,823	512,741	164,229	2,846,262	26,663,752
2022	19,601,689	401,206	2,320,187	592,291	169,102	3,747,340	26,831,815
2023	17,814,204	416,073	2,280,204	695,053	191,205	2,059,265	23,456,004
2024	19,180,271	585,645	2,345,655	700,821	189,883	2,002,549	25,004,824

City of Maumelle, Arkansas
General Government – Revenues by Type
10-Year Summary

Year	Taxes	Licenses and Permits	Charges for Services	Inter- Gov't	Fines	Investment Earnings	Misc.	Total
2015	\$ 14,001,944	\$ 194,507	\$ 1,242,101	\$ 131,563	\$ 180,701	\$ 76,358	\$ 27,889	\$ 15,855,063
2016	14,207,168	198,239	1,230,901	392,063	150,480	46,324	25,208	16,250,383
2017	14,330,648	224,725	1,321,616	1,135,966	128,636	111,352	155,022	17,407,965
2018	16,657,292	258,417	836,473	86,071	142,669	279,047	262,488	18,522,457
2019	16,473,385	193,131	548,427	1,517,929	112,649	308,235	775,684	19,929,440
2020	16,886,782	258,407	716,217	1,922,061	140,040	107,833	1,490,332	21,521,672
2021	18,762,528	266,675	845,373	6,362,597	164,229	26,270	236,080	26,663,752
2022	19,993,666	574,192	993,497	2,877,327	169,102	132,347	266,139	25,006,270
2023	18,706,280	297,289	1,111,126	2,570,634	191,205	512,095	67,375	23,456,004
2024	18,759,684	436,293	1,286,466	2,787,123	189,883	795,575	749,800	25,004,824

City of Maumelle, Arkansas
Assessed Valuation of Real, Personal, and Utility Property
10-Year Summary

<u>Year</u>	<u>Rate</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utility Property</u>	<u>Total</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2015	15.15	\$ 317,230,330	\$ 78,267,665	\$ 5,906,560	\$ 401,404,555	\$ 2,007,022,775	20%
2016	15.15	323,329,626	86,968,830	5,769,700	416,068,156	2,080,340,780	20%
2017	15.15	326,853,984	89,540,215	5,633,345	422,027,544	2,110,137,720	20%
2018	15.15	335,290,167	76,933,820	5,696,460	417,920,447	2,089,602,235	20%
2019	15.15	341,940,749	81,725,710	6,342,950	430,009,409	2,150,047,045	20%
2020	15.15	348,814,495	87,506,780	6,187,825	442,509,100	2,212,545,500	20%
2021	15.15	353,391,963	92,783,335	6,341,235	452,516,533	2,262,582,665	20%
2022	8.55	384,993,618	101,018,540	6,456,780	492,468,938	2,462,344,690	20%
2023	8.55	411,495,629	105,603,925	7,213,990	524,313,544	2,621,567,720	20%
2024	8.55	423,183,757	110,982,025	8,004,675	542,170,457	2,710,852,285	20%

Note: Tax collection years are shown above.
Assessments were made and certified the preceding year.

Source: Pulaski County Tax Assessor

City of Maumelle, Arkansas
Property Tax Rates – Direct and Overlapping Governments
10-Year Summary

Fiscal Year	Direct Rates					Overlapping Rates		Total
	City of Maumelle					County	School District	
	Debt Service Millage	Operating Millage	Roads	Library Millage	Total	Total	Total	
2015	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2016	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2017	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2018	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2019	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2020	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2021	6.60	5.00	1.45	2.10	15.15	7.05	40.70	62.90
2022	—	5.00	1.45	2.10	8.55	7.05	40.70	56.30
2023	—	5.00	1.45	2.10	8.55	7.05	40.70	56.30
2024	—	5.00	1.45	2.10	8.55	7.05	40.70	56.30

Overlapping rates are those of local and county governments that apply to property owners within the City of Maumelle. Not all overlapping rates apply to all Maumelle property owners.

Direct Rates are those that apply only to property owners within the City of Maumelle.

Source: Pulaski County Tax Assessor; Pulaski County Treasurer

State statutory limits on City tax rate:

General Operation	5 mills
General Improvement Bonds	Unlimited subject to voter approval
Industrial development bonds	5 mills
Firemen's pensions and policemen's pensions	1 mill each

City of Maumelle, Arkansas
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2024 Assessed Valuation	2024 Rank	Percentage of Total Assessed Valuation	2015 Assessed Valuation	2015 Rank	Percentage of Total Assessed Valuation
Mack – Park at Maumelle	Multi-unit Housing	\$ 5,139,200	1	0.95%	\$ 2,527,160	3	0.63%
Ace Hardware Group	Distribution Warehouse	3,968,757	2	0.73%	3,847,510	1	0.96%
Glen Una Holdings LIT	Storage Warehouse	3,952,200	3	0.73%	–		
Kimberly-Clark	Manufacturer	3,216,800	5	0.59%	2,101,360	4	0.52%
Molex Incorporated	Computer Cabling	3,319,400	4	0.61%	2,660,000	2	0.66%
Audubon – Good Samaritan	Multi-unit Housing	3,038,555	6	0.56%	–		
Mint – The Villa at Riverpoint 1	Multi-unit Housing	3,034,800	7	0.56%	1,702,240	7	0.42%
Highland Pointe Property Inv	Multi-unit Housing	2,965,700	8	0.55%	–		
Mint – The Villa at Riverpoint 2	Multi-unit Housing	2,856,200	9	0.53%	–		
CCS – Frosty-aire of Arkansas	Distribution Warehouse	1,895,362	10	0.35%	1,291,970	9	0.32%
Kroger Limited Partnership	Retail Grocery Store	–			1,492,320	8	0.37%
RSC – Little Rock, LLC	Equipment Rental	–			1,843,950	6	0.46%
Medline Industries	Distributor	–			1,139,600	10	0.28%
Maumelle Housing Association	Multi-unit Housing	–			1,995,840	5	0.50%
		<u>\$ 33,386,974</u>		<u>6.16%</u>	<u>\$ 20,601,950</u>		<u>5.13%</u>

Source: Pulaski County Treasurer

City of Maumelle, Arkansas
Collection of Taxes – Tax Collection of Ad Valorem Taxes
10-Year Summary

Year	Tax Levy Prior Year	Taxes Levied in the Prior Year Collected Within the Current year	
		Amount	Percentage of Levy
2015	\$ 5,094,563	\$ 4,921,895	96.61%
2016	5,238,348	5,013,728	95.71%
2017	5,300,399	5,151,862	97.20%
2018	5,325,938	5,227,933	98.16%
2019	5,453,895	5,329,149	97.71%
2020	5,612,046	5,407,980	96.36%
2021	5,774,775	5,507,960	95.38%
2022	5,905,373	5,751,578	97.40%
2023	3,176,454	3,016,912	94.98%
2024	3,381,856	3,368,061	99.59%

Note: Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year. Data are not available to show the current level by year of outstanding delinquent taxes.

Source: Pulaski County Treasurer

City of Maumelle, Arkansas
Debt Structure
10-Year Summary

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Expenditures	Percentage of Debt Service of Total General Expenditures
2015	\$ 13,635,000	\$ 703,275	\$ 14,338,275	\$ 28,240,941	50.77%
2016	1,815,000	796,546	2,611,546	22,926,296	11.39%
2017	2,445,000	762,903	3,207,903	21,718,804	14.77%
2018	2,415,000	697,952	3,112,952	31,897,232	9.76%
2019 *	9,432,561	1,067,436	10,499,997	26,852,977	39.10%
2020	2,415,000	957,849	3,372,849	23,133,410	14.58%
2021	3,605,000	890,611	4,495,611	21,693,080	20.72%
2022**	8,565,000	793,576	9,358,576	28,685,116	32.63%
2023	2,868,322	514,313	3,382,635	22,710,127	14.89%
2024	1,985,000	412,743	2,397,743	25,907,632	9.25%

* Series 2012 bonds refunded

** Series 2015 bonds redeemed

City of Maumelle, Arkansas
Ratio of Outstanding Debt by Type
10-Year Summary

Year	Governmental Activities				Business-Type Activities	Total Primary Government	Assessed Value ²	Percentage of Assessed Value
	General Obligation Bonds	Revenue Bonds	Leases	Premiums & Discounts	Notes Payable			
2015	\$ 19,575,682	\$ 7,438,345	\$ 214,084	\$ —	\$ —	\$ 27,228,111	\$ 401,404,555	6.78%
2016	17,919,257	7,216,162	107,042	—	—	25,242,461	416,068,156	6.07%
2017	15,040,000	7,040,000	—	—	—	22,080,000	422,027,544	5.23%
2018	26,820,000	6,760,000	—	—	—	33,580,000	417,920,447	8.04%
2019	24,150,000	6,235,000	—	782,163	—	31,167,163	430,009,409	7.25%
2020	22,110,000	5,860,000	—	740,204	—	28,710,204	442,509,100	6.49%
2021	18,885,000	5,480,000	—	652,858	—	25,017,858	452,516,533	5.53%
2022	10,715,000	5,085,000	356,246	233,383	—	16,389,629	492,468,938	3.33%
2023	8,360,000	4,680,000	261,106	212,462	—	13,513,568	524,313,544	2.58%
2024	6,795,000	4,260,000	184,406	191,541	—	11,430,947	542,170,457	2.11%

Year	Population ¹	Debt Per Capita	Per Capita Personal Income	Percentage of Personal Income
2015	17,970	\$ 1,515.20	\$ 36,948	4.10%
2016	18,204	1,386.64	39,577	3.50%
2017	18,205	1,212.85	40,264	3.01%
2018	18,100	1,855.25	43,066	4.31%
2019	18,199	1,712.58	43,988	3.89%
2020	19,070	1,505.52	44,714	3.37%
2021	19,070	1,311.90	50,916	2.58%
2022	19,273	850.39	50,916	1.67%
2023	19,452	694.71	50,916	1.36%
2024	19,452	587.65	48,415	1.21%

Data Sources:

¹ U.S. Census Bureau

² Pulaski County Treasurer's Office

NOTE: The premiums and discounts are included in the debt balance beginning in 2019.

City of Maumelle, Arkansas
Ratio of Bonded Debt to Assessed Value and Population
10-Year Summary

Year	Population¹	Assessed Value²	Accumulated Resources Restricted for Payment of General Bonded Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015	17,970	\$ 390,350,489	\$ 2,395,185	\$ 24,552,275	6.29%	\$ 1,366.29
2016	18,204	401,404,555	2,804,402	22,438,059	5.59%	1,232.59
2017	18,205	416,068,156	2,652,322	19,427,678	4.67%	1,067.16
2018	18,100	422,027,544	3,054,471	30,525,529	7.23%	1,686.49
2019	18,199	417,920,447	3,638,355	26,746,645	6.40%	1,469.68
2020	18,193	430,009,409	4,975,912	22,994,088	5.35%	1,263.90
2021	19,070	442,509,100	5,450,090	19,914,910	4.50%	1,044.31
2022	19,273	452,516,533	2,088,571	13,711,428	3.03%	711.43
2023	19,452	524,313,544	1,416,207	11,836,254	2.26%	608.49
2024	19,452	542,170,457	1,288,932	9,766,067	1.80%	502.06

Data Sources:

¹ U.S. Census Bureau

² Pulaski County Treasurer's Office

**City of Maumelle, Arkansas
Schedule of Overlapping Debt
December 31, 2024**

	Gross Bonded Debt Less Funds Available for Retirement	Percentage Applicable to the City of Maumelle	City of Maumelle's Share of Bonded Debt
City of Maumelle	\$ 11,055,000	100.0%	\$ 11,055,000
Pulaski County Special School District ¹	305,785,000	28.0%	85,619,800
Total	<u>\$ 316,840,000</u>		<u>\$ 96,674,800</u>

Source: ¹ Pulaski County Special School District

The percentage applicable to Maumelle was provided by Pulaski County Special School District.

City of Maumelle, Arkansas
Legal Debt Margin Information
For the Fiscal Year Ended December 31, 2024

Computation of the City's legal debt margin as set forth in Amendment 62 in the Constitution of the State of Arkansas is as follows:

Assessed value	\$ 542,170,457
Debt limitation 20% of assessed value	108,434,091
General obligation debt	(11,055,000)
Less amount available in debt service fund	<u>1,288,932</u>
Total amount of debt applicable to debt limitation	<u>(9,766,068)</u>
Legal debt margin	<u><u>\$ 98,668,023</u></u>

Note: Under state finance law, the City of Maumelle's outstanding general debt should not exceed 20% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Maumelle, Arkansas
Legal Debt Margin – Trend Information
10-Year Summary

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2015	\$ 80,280,911	\$ 17,180,498	\$ 63,100,413	21%
2016	83,213,631	15,114,855	68,098,776	18%
2017	84,405,509	12,387,678	72,017,831	15%
2018	83,584,089	30,525,529	53,058,560	37%
2019	86,001,882	26,746,645	59,255,237	31%
2020	88,501,820	22,994,088	65,507,732	26%
2021	90,503,307	18,914,910	71,588,397	21%
2022	98,493,788	13,711,429	84,782,359	14%
2023	104,862,708	11,623,723	93,238,985	11%
2024	108,434,091	9,766,068	98,668,023	9%

City of Maumelle, Arkansas
Pledged Revenue Coverage Information
10-Year Summary

2019 Franchise Fee Revenue Refunding Bonds					
Fiscal Year	Pledged Revenues (1)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2015	\$ 1,713,632	\$ 220,000	\$ 267,923	\$ 487,923	3.51
2016	1,629,326	225,000	263,523	488,523	3.34
2017	1,603,499	230,000	259,023	489,023	3.28
2018	1,723,625	280,000	254,423	534,423	3.23
2019	1,610,520	6,760,000	256,523	7,016,523	0.23
2020	1,592,099	380,000	151,605	531,605	2.99
2021	1,695,574	395,000	140,205	535,205	3.17
2022	1,871,282	405,000	128,355	533,355	3.51
2023	1,921,583	420,000	116,205	536,205	3.58
2024	1,897,471	430,000	103,605	533,605	3.56

2018 Special Obligation Sales & Use Tax Bonds					
Fiscal Year	Pledged Revenues (2)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2018	\$ 485,030	\$ —	\$ —	\$ —	
2019	1,376,010	505,000	469,731	974,731	1.41
2020	1,421,916	520,000	454,582	974,582	1.46
2021	1,660,375	535,000	438,981	973,981	1.70
2022	1,755,126	555,000	417,581	972,581	1.80
2023	2,002,184	575,000	395,381	970,381	2.06
2024	1,949,706	600,000	372,381	972,381	2.01

- (1) 2019 Franchise Fee Revenue Refunding Bonds are backed by franchise fee revenues. This bond was previously refunded in 2005, 2007 and 2012.
- (2) 2018 Special Obligation Sales & Use Tax Bonds are backed by a 0.50% Sales Tax and a 0.50% Continuing Sales & Use Tax.

City of Maumelle, Arkansas
Demographic and Economic Statistics
10-Year Summary

Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age²	School Enrollment²	Unemployment Rate³
2015	17,970	\$ 663,955,560	\$ 36,948	34.6	5,068	4.30
2016	18,204	720,459,708	39,577	34.6	5,068	3.80
2017	18,205	733,006,120	40,264	39.5	4,823	3.80
2018	18,100	779,494,600	43,066	40.4	4,534	3.70
2019	18,199	800,537,612	43,988	39.8	4,651	3.50
2020	18,193	813,481,802	44,714	40.3	4,353	5.00
2021	19,070	869,630,140	45,602	39.1	4,418	4.90
2022	19,273	981,304,068	50,916	41.8	4,459	3.50
2023	19,452	990,418,032	50,916	38.9	4,597	3.50
2024	19,452	941,768,580	48,415	38.9	4,597	3.50

Data Sources:

¹ U.S. Census Bureau

² U.S. Census Bureau, American Community Survey 5-Year Estimates

³ U.S. Bureau of Labor Statistics, American Community Survey 5-Year Estimates

City of Maumelle, Arkansas
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Tractor Supply Distribution Center	646	1	7.5%			
Molex LRC Business Unit	500	2	5.8%	950	1	27.1%
Dillards Internet Fulfillment Center	382	3	4.4%	254	2	7.3%
Kimberly Clark Co	303	4	3.5%			
Molex HPC Business Unit	299	5	3.5%	170	5	3.4%
Kimberly Clark Corporation	297	6	3.4%			
Pepsi Beverage Company	180	8	2.1%			
Holman Logistics	204	7	2.4%			
Cintas Corporation	178	9	2.1%	130	6	3.7%
Holman Distribution Center of Washington, Inc	169	10	2.0%			
BEI Precision Systems & Space				232	3	6.6%
Lamb & Associates Packaging				81	7	2.3%
Plastic Ingenuity, Inc.				55	10	1.6%
Ace Hardware				240	4	6.9%
Claudias Canine Cuisine				75	8	2.1%
CLM Pallet Recycling Inc.				58	9	1.7%

Source: City of Maumelle Community and Economic Development Department

City of Maumelle, Arkansas
Full-Time Equivalent City Government Employees by Function
10-Year Summary

Function	2015	2016	2017	2018	2019
Administrative services	15	13	15	14	15.5
Public works	31	30	31	29	29
Legal and judicial	5	4	3	3	3
Parks and recreation	35	35	26	35	42
Senior services	—	—	—	—	10
Public safety	77	78	78	88.0	95.5
Community and economic development	8	9	8	9.0	8
Sanitation	12	15	15	15	14.5
Totals	183	184	176	193	218
Function	2020	2021	2022	2023	2024
Administrative services	16.0	14.0	16.0	12.0	13.0
Public works	30	30	35	32	33
Legal and judicial	3	4	5	4	4
Parks and recreation	42	29.0	18.0	17.0	18.0
Senior services	12	13	16	15	15
Public safety	97	97	98	91	90
Community and economic development	8	8	6	8	8
Sanitation	19	19	22	17	11
Totals	227	214.0	216	196	192

Source: City of Maumelle Human Resources Department

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City of Maumelle, Arkansas
Operating Indicators by Function/Program
10-Year Summary

Function	2015	2016	2017	2018	2019
Police					
Number of uniformed employees	33	35	37	38	38
Service calls	10,118	11,779	12,580	12,391	11,995
Arrests	920	925	913	1,112	930
Traffic stops	2,363	2,287	2,895	3,255	2,693
Traffic citations	617	501	637	631	644
Training man hours	3,064	2,078	5,136	2,599	2,586
Fire					
Number of uniformed employees	29	32	36	37	40
Fires	68	45	58	46	62
Rescue, emergency medical calls	1,032	977	1,009	1,208	1,141
Hazardous condition, standby	40	33	48	47	47
Service calls	147	159	153	231	195
Good intent calls	109	110	59	189	225
False alarm calls	230	117	106	116	65
Natural disaster calls	14	1	3	1	8
Other calls	11	177	104	9	3
Total calls	1,651	1,619	1,540	1,847	1,746
Animal Control					
Number of uniformed employees	6	6	6	6	6
Number of animals taken into custody	725	606	667	554	524
Service calls	6,164	7,716	5,773	5,352	6,873
Adoptions ⁴	—	—	—	—	—
Parks and Recreation					
Pool attendance	2,099	1,837	2,092	1,945	1,862
Participants in youth league sports ²	80	80	80	80	80
Participants in adult league sports	927	970	941	462	412
Senior Services ³					
Senior center attendance		23,838	40,493	65,286	85,665
Rides		4,499	6,001	6,236	6,714
Members		2,420	1,398	1,549	1,660
Meals served			15,620	20,686	26,234
Garbage Collections					
Monthly service rate	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Curbside recycling tonnage	521	502	574	574	520.2
Year waste cubic yardage	4,350	4,250	4,540	4,900	7,085
Class I tonnage	4,892	4,924	5,000	5,803	5,963
Code Enforcement/Building Permits					
Total building permits issued ¹	1,412	1,726	2,701	1,294	1,225
New commercial permits	9	4	3	3	2
Commercial construction value	29,044,990	21,138,745	5,796,342	6,895,659	13,977,000
New residential permits	35	53	60	79	66
Residential construction value	9,792,502	17,162,109	15,583,358	22,319,661	20,747,595

Source: Various City departments

- (1) Includes all permits issued during the year – construction as well as fence, deck, pool, etc.
- (2) The City only manages sports for 1st and 2nd graders. Other age groups are managed by individual sports associations.
- (3) Data not available prior to 2017.
- (4) Animal Services didn't start tracking adoptions until 2021.

City of Maumelle, Arkansas
Operating Indicators by Function/Program
10-Year Summary

(Continued)

Function	2020	2021	2022	2023	2024
Police					
Number of uniformed employees	38	38	38	40	43
Service calls	10,848	12,562	14,197	17,430	13,820
Arrests	869	999	498	1,420	1,578
Traffic stops	3,070	2,387	5,198	9,905	9,469
Traffic citations	685	691	1,573	2,282	2,054
Training man hours	4,742	4,987	5,768	8,395	4,131
Fire					
Number of uniformed employees	40	40	40	43	46
Fires	49	43	55	53	57
Rescue, emergency medical calls	1,193	1,374	1,415	1,451	1,496
Hazardous condition, standby	28	44	40	49	46
Service calls	265	354	379	367	303
Good intent calls	240	179	146	150	139
False alarm calls	109	174	190	228	191
Natural disaster calls	5	1	4	4	5
Other calls	2	5	10	10	13
Total calls	1,891	2,174	2,239	2,312	2,250
Animal Control					
Number of uniformed employees	6	5	5	6	6
Number of animals taken into custody	512	512	846	1,199	934
Service calls	7,110	7,683	8,450	9,500	9,840
Adoptions ⁴	—	235	379	532	429
Parks and Recreation					
Pool attendance	2,512	2,561	3,191	5,757	3,869
Participants in youth league sports ²	61	70	80	73	71
Participants in adult league sports	0	78	182	182	240
Senior Services ³					
Senior center attendance	21,389	29,857	71,775	81,879	92,871
Rides	4,259	5,354	5,726	5,841	8,348
Members	1,258	1,246	1,546	1,598	1,749
Meals served	17,763	19,549	21,845	24,481	26,325
Garbage Collections					
Monthly service rate	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Curbside recycling tonnage	502.5	519.4	529.7	606.0	584.0
Year waste cubic yardage	8,775	7,145	4,850	5,300	4,900
Class I tonnage	6,390	5,562	5,077	5,351	579
Code Enforcement/Building Permits					
Total building permits issued ¹	1,461	300	1,083	1,254	1,164
New commercial permits	3	2	1	4	3
Commercial construction value	9,800,000	23,253,609	104,911,060	9,088,000	5,800,000
New residential permits	80	102	85	109	97
Residential construction value	19,504,473	37,067,240	24,122,210	29,344,238	43,961,200

City of Maumelle, Arkansas
Capital Assets Statistics by Function
10-Year Summary

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Highways and streets										
Streets (#)	364	364	426	426	426	426	426	426	457	473
Culture and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	25	25	25	25	25	25	26	26	26	26
Swimming pools	1	1	1	1	1	1	1	1	1	1
Public safety										
Stations (Police & Fire)	3	3	3	3	3	3	3	3	3	3
Police patrol units	30	30	33	33	33	33	33	33	42	42
Fire trucks	3	3	3	3	3	3	4	5	5	5
Sanitation										
Collection trucks	9	9	9	9	9	9	9	10	10	13

Source: City of Maumelle Capital Asset records

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Compliance Section

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

Honorable Caleb Norris, Mayor
and Members of the City Council
City of Maumelle, Arkansas
Maumelle, Arkansas

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maumelle, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 26, 2025. Our report includes an emphasis of matter paragraph for a change in accounting principle.

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, regulations, 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*.

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.

Forvis Mazars, LLP

**Little Rock, Arkansas
June 26, 2025**

Independent Accountant's Report on Compliance With Certain State Acts

The Honorable Caleb Norris, Mayor
and the Members of the City Council
City of Maumelle, Arkansas
Maumelle, Arkansas

We have examined management's assertion that the City of Maumelle, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2024.

1. Arkansas Municipal Accounting Law, §14-59-101 et seq.
2. Arkansas District Courts and City Courts Accounting Law, §16-10-201 et seq.
3. Improvement contracts, §§ 22-9-202 – 22-9-204
4. Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.
5. Investment of public funds, § 19-1-501 et seq.
6. Deposit of public funds, §§ 19-8-101 – 19-8-107

Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement

In our opinion, management's assertion that the City, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2024, is fairly stated, in all material respects.

This report is intended solely for the information and use of the governing body, management, and the State of Arkansas and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

**Little Rock, Arkansas
June 26, 2025**