City of Crossett, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF CROSSETT, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Arkansas

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

Rep. Robin Lundstrum
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Rep. RJ Hawk
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 11, 2026
LOM102324

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Crossett, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated June 11, 2026. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We also reported to management of the City in a separate letter dated June 11, 2026.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT
Joseph D. Archer
Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
June 11, 2026

Arkansas

Sen. Jim Petty
Senate Chair
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

Mayor: Crystal Marshall
Clerk/Treasurer: Clark Terrell
District Court Clerk: Samantha Sutton
Police Chief: J.W. Cruce
Library Director: David Anderson

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

Clerk/Treasurer

On May 31, 2024, the City discovered that an employee's payroll direct deposits had been fraudulently diverted to another bank account, after the employee contacted the City about not receiving the payroll direct deposit. It was determined the City made the direct deposit change after receiving an email request from what appeared to be the employee's email account, without verifying the authenticity of the request. The transaction resulted in a $3,077 loss to the City.

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

ARKANSAS LEGISLATIVE AUDIT

Joseph D. Archer

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
June 11, 2026
LOM102324

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 473,339	$ 40,148	$ 3,114,637
Accounts receivable	325,588		1,234,923
TOTAL ASSETS	$ 798,927	$ 40,148	$ 4,349,560
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 21,285	$ 1,936	$ 1,243,324
Settlements pending			96,680
Total Liabilities	21,285	1,936	1,340,004
Fund Balances:			
Restricted	3,711		2,961,490
Committed			45,066
Assigned	3,564	38,212	3,000
Unassigned	770,367		
Total Fund Balances	777,642	38,212	3,009,556
TOTAL LIABILITIES AND FUND BALANCES	$ 798,927	$ 40,148	$ 4,349,560

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

CITY OF CROSSETT, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 176,443	$ 396,516	$ 350,205
Federal aid	7,400		1,242,520
Property taxes	785,159	100,078	353,531
Franchise fees	339,575		
Sales taxes	2,696,344		469,846
Fines, forfeitures, and costs	133,803		29,274
Interest	282		67,243
Local permits and fees	58,603		
Sanitation fees			614,788
Advertising and promotion taxes			64,837
Ambulance receipts	1,233,943		
Rental income	1,500		174,093
Recreation fees	63,920		
Fuel sales			75,116
Other	192,950		22,116
TOTAL REVENUES	5,689,922	496,594	3,463,569
EXPENDITURES			
Current:			
General government	1,019,830		4,000
Law enforcement	1,710,736		102,597
Highways and streets	187,792	529,213	
Public safety	2,079,564		50,573
Sanitation	101,000		470,253
Health	11,677		
Recreation and culture	626,563		870,683
Social services	4,580		10
Airport			1,347,882
Total Current	5,741,742	529,213	2,845,998
Debt Service:			
Financed purchase principal			120,697
Financed purchase interest			29,120
TOTAL EXPENDITURES	5,741,742	529,213	2,995,815

Exhibit B

CITY OF CROSSETT, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (51,820)	$ (32,619)	$ 467,754
OTHER FINANCING SOURCES (USES)			
Contribution from water department	12,625		
Sales tax remitted to Crossett Economic Development			(469,846)
TOTAL OTHER FINANCING SOURCES (USES)	12,625		(469,846)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(39,195)	(32,619)	(2,092)
FUND BALANCES - JANUARY 1	816,837	70,831	3,011,648
FUND BALANCES - DECEMBER 31	$ 777,642	$ 38,212	$ 3,009,556

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

CITY OF CROSSETT, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 94,838	$ 176,443	$ 81,605	$ 396,517	$ 396,516	$ (1)
Federal aid	48,203	7,400	(40,803)			
Property taxes	785,159	785,159	0	100,078	100,078	0
Franchise fees	339,575	339,575	0			
Sales taxes	2,698,158	2,696,344	(1,814)			
Fines, forfeitures, and costs	133,476	133,803	327			
Interest	283	282	(1)			
Local permits and fees	58,604	58,603	(1)			
Ambulance receipts	1,336,649	1,233,943	(102,706)			
Rental income		1,500	1,500			
Recreation fees	61,424	63,920	2,496			
Other	425,583	192,950	(232,633)			
TOTAL REVENUES	5,981,952	5,689,922	(292,030)	496,595	496,594	(1)
EXPENDITURES						
Current:						
General government	834,411	1,019,830	(185,419)			
Law enforcement	1,916,972	1,710,736	206,236			
Highways and streets	193,424	187,792	5,632	531,206	529,213	1,993
Public safety	2,067,821	2,079,564	(11,743)			
Sanitation	101,000	101,000	0			
Health	11,677	11,677	0			
Recreation and culture	684,750	626,563	58,187			
Social services	4,580	4,580	0			
TOTAL EXPENDITURES	5,814,635	5,741,742	72,893	531,206	529,213	1,993
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	167,317	(51,820)	(219,137)	(34,611)	(32,619)	1,992
OTHER FINANCING SOURCES (USES)						
Transfers in	580,959		(580,959)			
Transfers out	(405,000)		405,000			
Contribution from water department	48,950	12,625	(36,325)			
TOTAL OTHER FINANCING SOURCES (USES)	224,909	12,625	(212,284)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	392,226	(39,195)	(431,421)	(34,611)	(32,619)	1,992
FUND BALANCES - JANUARY 1		816,837	816,837		70,831	70,831
FUND BALANCES - DECEMBER 31	$ 392,226	$ 777,642	$ 385,416	$ (34,611)	$ 38,212	$ 72,823

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting – Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

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

Fund Balance Classifications

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

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

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

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

E. Property Taxes

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

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

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

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

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

d. Appropriations lapse at the end of each year.

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

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 1,593,663	$ 1,622,651
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	2,032,721	2,137,361
Total Deposits	$ 3,626,384	$ 3,760,012

The above total deposits do not include cash on hand of $1,740.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Other Funds in the Aggregate
Federal aid		$ 1,193,020
Sales taxes	$ 225,203	39,748
Fines, forfeitures, and costs	7,445	2,155
Ambulance receipts	89,640	
Other	3,300	
Totals	$ 325,588	$ 1,234,923

NOTE 5: Accounts Payable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	$ 21,285	$ 1,936	$ 1,236,283
Payroll taxes payable			7,041
Totals	$ 21,285	$ 1,936	$ 1,243,324

NOTE 6: Details of Fund Balance Classifications

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			$ 85,972
Law enforcement			36,934
Public safety			193,930
Sanitation			895
Recreation and culture	$ 3,711		2,587,367
Airport			56,251
Capital outlay			141
Total Restricted	3,711		2,961,490
Committed for:			
Law enforcement			12,381
Social services			32,685
Total Committed			45,066
Assigned to:			
Highways and streets		$ 38,212	
Public safety			3,000
Recreation and culture	3,564		
Total Assigned	3,564	38,212	3,000
Unassigned	770,367		
Totals	$ 777,642	$ 38,212	$ 3,009,556

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2024, the legal debt limit for the bonded debt was $29,286,813. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2024, the legal debt limit for short-term financing obligations was $7,652,929. The amount of short-term financing obligations was $411,909 leaving a legal debt margin of $7,241,020.

NOTE 8: Commitments

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

	December 31, 2024
Long-term liabilities	$ 817,633
Construction contract	127,574
Total Commitments	$ 945,207

Long-term liabilities

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

	December 31, 2024
Direct Borrowings	
Financed purchase agreement dated June 23, 2022, with Commercial Capital Bank in the amount of $161,761, with interest rate of 3.49% for the purchase of garbage canisters. Monthly payments of $2,942 for sixty payments. Payments are made from the General and Garbage Funds.	$ 84,395
Financed purchase agreement dated January 17, 2023, with Century Next Bank in the amount of $189,542, with interest rate of 5.95% for the purchase of 2023 Freightliner garbage truck with rear loader. Monthly payments of $3,667 for sixty payments. Payments are made from the General and Garbage Funds.	123,537
Financed purchase agreement dated April 10, 2023, with Century Next Bank in the amount of $291,542, with interest rate of 5.95% for the purchase of 2023 Freightliner garbage truck with side-arm loader. Monthly payments of $5,642 for twenty-three payments and a final payment of $190,993. Payments are made from the General and Garbage Funds.	203,977
Total Direct Borrowings	411,909
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	405,724
Total Long-term liabilities	$ 817,633

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

The City's outstanding direct borrowings of $411,909 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

NOTE 8: Commitments (Continued)

Change in Compensated Absences

		December 31, 2024
Beginning balance compensated absences	$	413,536
Ending balance compensated absences		405,724
Net increase (decrease)	$	(7,812)

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2024	Maturities to December 31, 2024
Direct Borrowings					
6/23/22	6/21/27	3.49%	$ 161,761	$ 84,395	$ 77,366
1/17/23	1/17/28	5.95%	189,542	123,537	66,005
4/10/23	4/10/25	5.95%	291,542	203,977	87,565
Total Long-Term Debt			$ 642,845	$ 411,909	$ 230,936

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Direct Borrowings				
Financed purchases	$ 532,606	$ 0	$ 120,697	$ 411,909

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings Principal	Interest	Total
2025	$ 274,439	$ 12,787	$ 287,226
2026	73,959	5,348	79,307
2027	59,862	1,794	61,656
2028	3,649	19	3,668
Totals	$ 411,909	$ 19,948	$ 431,857

NOTE 8: Commitments (Continued)

Construction Contract

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

Project Name	Completed	Contract Balance December 31, 2024
Partial Parallel Taxiw ay	February 10, 2026	$ 127,574

NOTE 9: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

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

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

Municipal Vehicle Program

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

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

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

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

NOTE 9: Risk Management (Continued)

The City participates in the Arkansas Public Entities Insurance Cooperative - Worker's Compensation Trust (APCI-WCT) public entity risk pool for worker's compensation coverage. This program provides benefits for losses incurred by City officials, employees, volunteer fire fighters, and prisoners while performing work for the City. Rates for cities participating in this program are based on the cost experience of the particular city or group, the National Council on Worker's Compensation Insurance, and the Workers' Compensation Commission.

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

NOTE 10: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)

Plan Description

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

On December 12, 2008, and August 5, 2015, administration of the City of Crossett Firemen's Pension and Relief Fund and the City of Policemen's Pension and Relief Fund was transferred to LOPFI, respectively. The benefit structure of these plans was not changed.

Funding Policy

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

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

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

C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was $450,273 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $173,501 for the year ended December 31, 2024.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2024, (actuarial valuation date and measurement date) was $3,203,393.

NOTE 11: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.75% as of July 1, 2024. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2024, (date of APERS Employer Allocation Report) was $297,810.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2024, (actuarial valuation date and measurement date) was $2,219,123.

NOTE 12: Economic Development Sales Tax

In March 2008, the voters approved a .25% sales tax to be used for economic development. The City receives these funds monthly with its other sales taxes from the Arkansas Department of Finance and Administration and pays the .25% sales tax funds to the Crossett Economic Development Foundation. Crossett Ordinance no. 2000-8 (October 2, 2000) established an agreement between the City and the Crossett Economic Development Foundation for the purpose of providing expert economic development services to the City. During 2024, the City paid $469,846 to the Crossett Economic Development Foundation.

Schedule 1

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

	SPECIAL REVENUE FUNDS								
	District Court Cost	Criminal Justice	Administration of Justice	Fire Equipment and Training (Act 833)	District Court Automation	Garbage	Controlled Substance/ Drug Control	Municipal Judge and Clerk Retirement	Advertising and Promotion
ASSETS									
Cash and cash equivalents	$ 2,081	$ 6,260	$ 125	$ 196,930	$ 10,001	$ 1,610	$ 709	$ 2,691	$ 85,972
Accounts receivable	513	358	237		617			430	
TOTAL ASSETS	$ 2,594	$ 6,618	$ 362	$ 196,930	$ 10,618	$ 1,610	$ 709	$ 3,121	$ 85,972
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable						$ 715			
Settlements pending									
Total Liabilities						715			
Fund Balances:									
Restricted	$ 2,594	$ 6,618	$ 362	$ 193,930	$ 10,618	895	$ 709	$ 3,121	$ 85,972
Committed									
Assigned				3,000					
Total Fund Balances	2,594	6,618	362	196,930	10,618	895	709	3,121	85,972
TOTAL LIABILITIES AND FUND BALANCES	$ 2,594	$ 6,618	$ 362	$ 196,930	$ 10,618	$ 1,610	$ 709	$ 3,121	$ 85,972

Schedule 1

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

	SPECIAL REVENUE FUNDS						
	Police Equipment	Economic Development Commission	Airport	Library	Port Authority (RV Park)	Cemetery	Police Auxiliary
ASSETS							
Cash and cash equivalents	$ 12,381		$ 52,211	$ 2,473,396	$ 127,852	$ 32,685	$ 12,912
Accounts receivable		$ 39,748	1,193,020				
TOTAL ASSETS	$ 12,381	$ 39,748	$ 1,245,231	$ 2,473,396	$ 127,852	$ 32,685	$ 12,912
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		$ 39,748	$ 1,188,980	$ 13,881			
Settlements pending							
Total Liabilities		39,748	1,188,980	13,881			
Fund Balances:							
Restricted			56,251	2,459,515	$ 127,852		$ 12,912
Committed	$ 12,381					$ 32,685	
Assigned							
Total Fund Balances	12,381		56,251	2,459,515	127,852	32,685	12,912
TOTAL LIABILITIES AND FUND BALANCES	$ 12,381	$ 39,748	$ 1,245,231	$ 2,473,396	$ 127,852	$ 32,685	$ 12,912

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

Schedule 1

	CAPITAL PROJECTS FUNDS		CUSTODIAL FUNDS					
	Community Development Block Grant	Youth Center Grant	District Court	Small Claims Court	Payroll	Administration of Justice	Utility	Totals
ASSETS								
Cash and cash equivalents	$ 91	$ 50	$ 42,874	$ 562	$ 45,923	$ 3,037	$ 4,284	$ 3,114,637
Accounts receivable								1,234,923
TOTAL ASSETS	$ 91	$ 50	$ 42,874	$ 562	$ 45,923	$ 3,037	$ 4,284	$ 4,349,560
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								$ 1,243,324
Settlements pending			$ 42,874	$ 562	$ 45,923	$ 3,037	$ 4,284	96,680
Total Liabilities			42,874	562	45,923	3,037	4,284	1,340,004
Fund Balances:								
Restricted	$ 91	$ 50						2,961,490
Committed								45,066
Assigned								3,000
Total Fund Balances	91	50						3,009,556
TOTAL LIABILITIES AND FUND BALANCES	$ 91	$ 50	$ 42,874	$ 562	$ 45,923	$ 3,037	$ 4,284	$ 4,349,560

CITY OF CROSSETT, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS								
	District Court Cost	Criminal Justice	Administration of Justice	Fire Equipment and Training (Act 833)	District Court Automation	Garbage	Controlled Substance/ Drug Control	Municipal Judge and Clerk Retirement	Advertising and Promotion
REVENUES									
State aid				$ 77,771					
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	$ 6,117	$ 4,077	$ 2,786		$ 8,825			$ 5,044	
Interest				851					
Sanitation fees						$ 614,788			
Advertising and promotion taxes									$ 64,837
Rental income									
Fuel sales									
Other	742						$ 358		
TOTAL REVENUES	6,859	4,077	2,786	78,622	8,825	614,788	358	5,044	64,837
EXPENDITURES									
Current:									
General government									4,000
Law enforcement	42,968	17,953	16,827		9,088		10,388	5,058	
Public safety				50,573					
Sanitation						470,253			
Recreation and culture									
Social services									
Airport									
Total Current	42,968	17,953	16,827	50,573	9,088	470,253	10,388	5,058	4,000
Debt Service:									
Financed purchase principal						120,697			
Financed purchase interest						29,120			
TOTAL EXPENDITURES	42,968	17,953	16,827	50,573	9,088	620,070	10,388	5,058	4,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(36,109)	(13,876)	(14,041)	28,049	(263)	(5,282)	(10,030)	(14)	60,837
OTHER FINANCING SOURCES (USES)									
Sales tax remitted to Crossett Economic Development									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(36,109)	(13,876)	(14,041)	28,049	(263)	(5,282)	(10,030)	(14)	60,837
FUND BALANCES - JANUARY 1	38,703	20,494	14,403	168,881	10,881	6,177	10,739	3,135	25,135
FUND BALANCES - DECEMBER 31	$ 2,594	$ 6,618	$ 362	$ 196,930	$ 10,618	$ 895	$ 709	$ 3,121	$ 85,972

CITY OF CROSSETT, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS		
	Police Equipment	Economic Development Commission	Airport	Library	Port Authority (RV Park)	Cemetery	Police Auxiliary	Community Development Block Grant	Youth Center Grant	Totals
REVENUES										
State aid			$ 11,516	$ 24,976					$ 235,942	$ 350,205
Federal aid			1,242,520							1,242,520
Property taxes				353,531						353,531
Sales taxes		$ 469,846								469,846
Fines, forfeitures, and costs	$ 2,425									29,274
Interest				66,082		$ 310				67,243
Sanitation fees										614,788
Advertising and promotion taxes										64,837
Rental income			22,982		$ 151,111					174,093
Fuel sales			75,116							75,116
Other			6,479	11,632	2,805	100				22,116
TOTAL REVENUES	2,425	469,846	1,358,613	456,221	153,916	410			235,942	3,463,569
EXPENDITURES										
Current:										
General government										4,000
Law enforcement							$ 315			102,597
Public safety										50,573
Sanitation										470,253
Recreation and culture				453,236	181,505				235,942	870,683
Social services						10				10
Airport			1,347,882							1,347,882
Total Current			1,347,882	453,236	181,505	10	315		235,942	2,845,998
Debt Service:										
Financed purchase principal										120,697
Financed purchase interest										29,120
TOTAL EXPENDITURES			1,347,882	453,236	181,505	10	315		235,942	2,995,815
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,425	469,846	10,731	2,985	(27,589)	400	(315)			467,754
OTHER FINANCING SOURCES (USES)										
Sales tax remitted to Crossett Economic Development		(469,846)								(469,846)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,425		10,731	2,985	(27,589)	400	(315)			(2,092)
FUND BALANCES - JANUARY 1	9,956		45,520	2,456,530	155,441	32,285	13,227	$ 91	50	3,011,648
FUND BALANCES - DECEMBER 31	$ 12,381	$ 0	$ 56,251	$ 2,459,515	$ 127,852	$ 32,685	$ 12,912	$ 91	$ 50	$ 3,009,556

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

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

Fund Name	Fund Description
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Criminal Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the criminal justice in the city.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of $5 per month on each person to be used for court-related technology.
Garbage	Crossett Ordinance no. A-602 (November 26, 1996) established fund to receive fees to be used solely for sanitation related expenditures.
Controlled Substance/ Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Municipal Judge and Clerk Retirement	Ark. Code Ann. §§ 24-4-751, 24-8-902 established fund to contribute an amount of money that represents the actuarially determined accrued liability to be paid to the Arkansas Public Employees Retirement System. Excess funds will be retained in this fund for the sole purpose of paying the retirement benefits of district judges and clerks.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.

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

Fund Name	Fund Description
Police Equipment	Crossett Ordinance no. 2009-2 (March 16, 2009) pursuant to Ark. Code Ann. § 14-52-202 authorized the collection of a $50 warrant fee from any person served with a city warrant from any court with 50% of the proceeds to be paid to the City Treasury earmarked for police equipment and supplies. The other 50% is to be paid to the City General Fund.
Economic Development Commission	Ark. Code Ann. § 14-174-104 authorizes the levy of a local sales tax dedicated to the operation of local economic development programs.
Airport	Ark. Code Ann. § 14-361-116 established fund to receive revenues obtained by a municipality from the ownership, control, or operation of any airport or air navigation facility, including proceeds from the sale of any airport or portion thereof or air navigation facility property. The revenues shall be used solely for airport purposes.
Library	The Crossett Public Library was established in 1962 to provide a public library for the City of Crossett per Ark. Code Ann. § 13-2-502.
Port Authority (RV Park)	Ark. Code Ann. §§ 14-186-201 - 215 established fund for developing and maintaining the harbors, ports, river-rail or barge terminals and waterways of the port. All revenue derived from the operation of the port and authority, after paying the operation expense and maintenance of the port, shall be set aside and used for additional improvements at the port. A majority of funds received for the port were derived from the rental of parking slips for recreational vehicles and boat dock slips.
Cemetery	Crossett Ordinance no. A32 (March 15, 1948) established fund to received fees for the sale of lots, donations, and bequests to operate and maintain the City Cemetery.
Police Auxiliary	Established to account for donations received for the police department.
Community Development Block Grant	Established to account for Community Development Block Grant funds for the purpose of constructing the Cynergy Cargo 2 plant to manufacture enclosed cargo trailers.
Youth Center Grant	Established to account for grant funds for the purpose of renovating the Crossett Youth Center.

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

Fund Name	Fund Description
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Small Claims Court	Ark. Code Ann. § 16-17-707 established account to receive fees relating to small claims and civil case filings.
Payroll	Established for payment of all City payroll and related expenditures.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Utility	Established to receive state revenues and the City's utility collections.

Schedule 3

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

	December 31, 2024
Land	$ 969,089
Buildings and improvements	17,638,424
Equipment	11,552,515
Total	$ 30,160,028

CITY OF CROSSETT, ARKANSAS

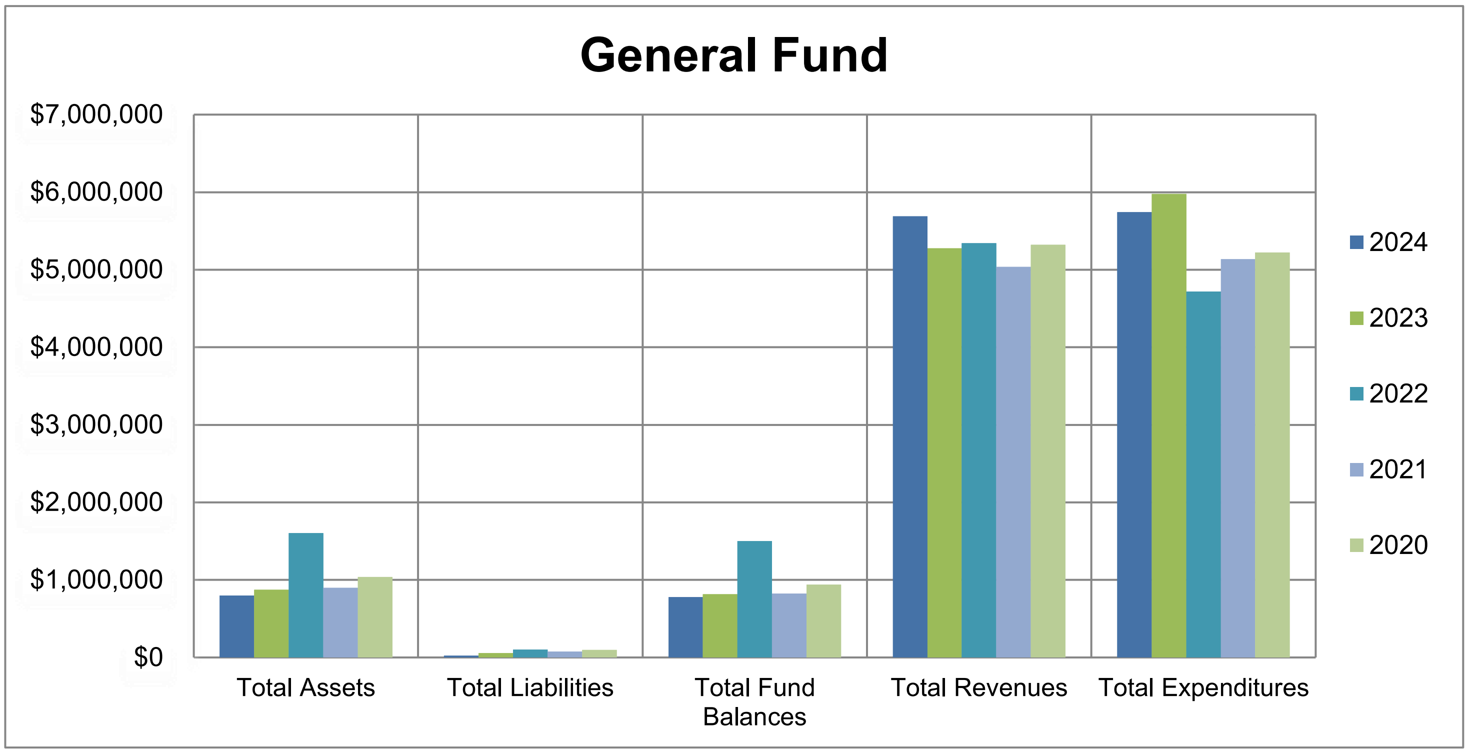
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS

DECEMBER 31, 2024

(Unaudited)

Schedule 4-1

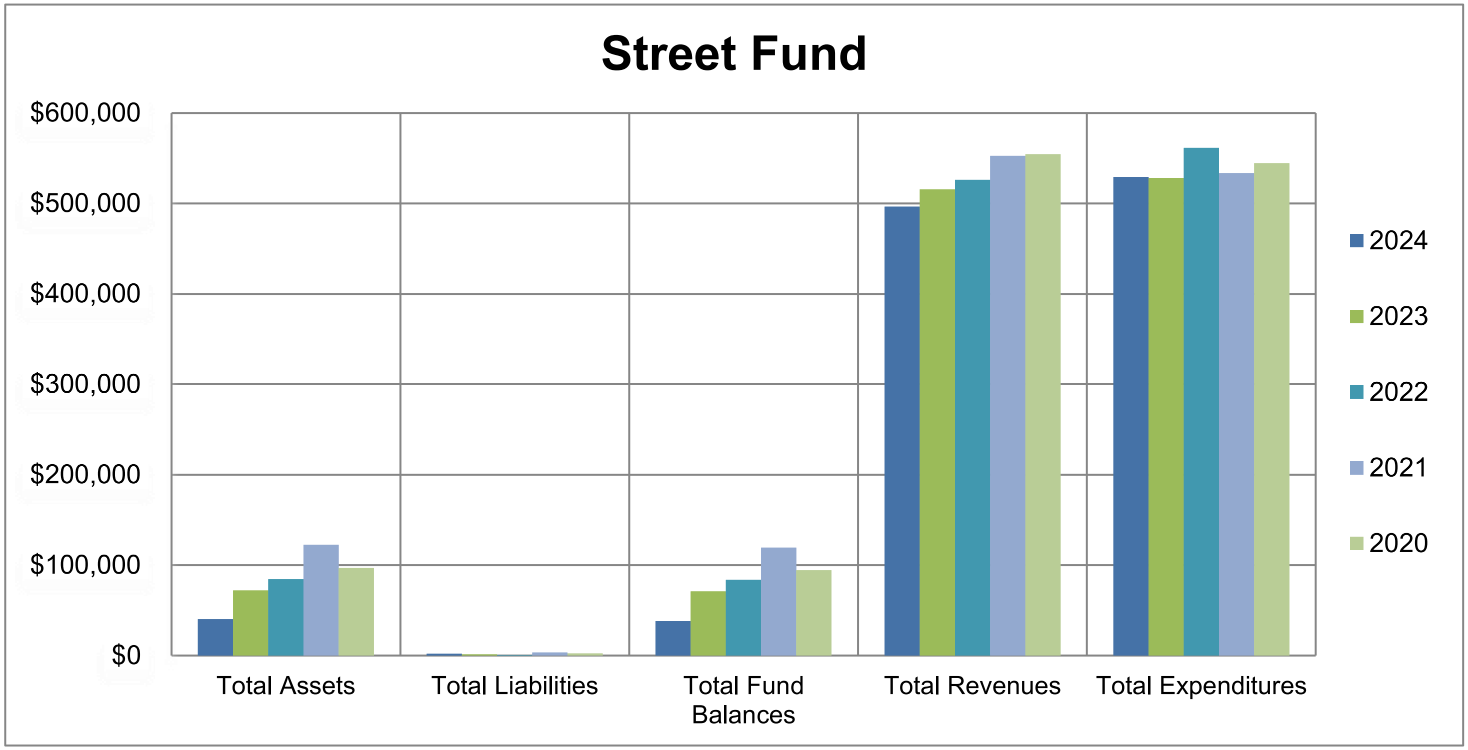
General	2024	2023	2022	2021	2020
Total Assets	$ 798,927	$ 873,477	$ 1,603,332	$ 898,785	$ 1,037,435
Total Liabilities	21,285	56,640	102,860	76,521	98,350
Total Fund Balances	777,642	816,837	1,500,472	822,264	939,085
Total Revenues	5,689,922	5,275,334	5,343,135	5,035,062	5,321,412
Total Expenditures	5,741,742	5,975,670	4,719,927	5,135,735	5,223,777
Total Other Financing Sources/Uses	12,625	16,701	55,000	55,000	(25,075)



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

Schedule 4-2

Street	2024	2023	2022	2021	2020
Total Assets	$ 40,148	$ 71,939	$ 84,295	$ 122,520	$ 96,858
Total Liabilities	1,936	1,108	648	3,269	2,479
Total Fund Balances	38,212	70,831	83,647	119,251	94,379
Total Revenues	496,594	515,533	526,079	552,714	554,520
Total Expenditures	529,213	528,349	561,683	533,503	544,651
Total Other Financing Sources/Uses					



CITY OF CROSSETT, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2024
(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2024	2023	2022	2021	2020
Total Assets	$ 4,349,560	$ 3,212,517	$ 3,298,038	$ 3,680,259	$ 3,452,986
Total Liabilities	1,340,004	200,869	171,123	239,387	354,558
Total Fund Balances	3,009,556	3,011,648	3,126,915	3,440,872	3,098,428
Total Revenues	3,463,569	2,243,819	2,442,090	2,770,896	2,696,618
Total Expenditures	2,995,815	1,956,125	2,323,913	1,992,350	2,424,279
Total Other Financing Sources/Uses	(469,846)	(402,961)	(432,134)	(436,102)	(333,149)