

City of Russellville, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

Arkansas

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Senate Chair
Sen. Jim Dotson
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Rep. Robin Lundstrum
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Russellville, 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 Russellville, 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 Russellville, 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 Russellville, Arkansas, as of December 31, 2024, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 23, 2025
LOM108024

Arkansas



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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

City of Russellville, 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 Russellville, 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 October 23, 2025. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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

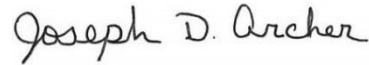
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 October 23, 2025.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 23, 2025

Arkansas



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

Rep. Robin Lundstrum
House Chair
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House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

City of Russellville, 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: Fred Teague
Clerk/Treasurer: Gina Skelton
Finance Director: Brittany Baker (appointed August 19, 2024)
Ashley Rogers (appointed February 5, 2024, resigned August 23, 2024)
District Court Clerk: Laura Stephenson
Police Chief: David Ewing
Advertising and Promotion Commission Director: Christie Graham

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

Mayor

A federal compliance audit is required pursuant to 2 CFR § 200.501 when federal expenditures exceed \$750,000. The City had federal expenditures in excess of \$750,000 in 2022 and has not completed the federal compliance audit as of the report date. The City could be responsible for repayment of federal expenditures if instances of noncompliance are noted during a federal compliance audit. An engagement letter for the 2022 federal compliance audit was signed on June 11, 2025.

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

Handwritten signature of Joseph D. Archer in black ink.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 23, 2025

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

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 7,247,181	\$ 27,881,284	\$ 13,451,103
Accounts receivable	<u>1,167,729</u>	<u>717,695</u>	<u>310,440</u>
TOTAL ASSETS	<u><u>\$ 8,414,910</u></u>	<u><u>\$ 28,598,979</u></u>	<u><u>\$ 13,761,543</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 42,703	\$ 906,619	\$ 200,256
Settlements pending			176,745
Total Liabilities	<u>42,703</u>	<u>906,619</u>	<u>377,001</u>
Fund Balances:			
Restricted		21,917,605	10,927,019
Committed			356,899
Assigned	623,448	5,774,755	2,100,624
Unassigned	<u>7,748,759</u>	<u>27,692,360</u>	<u>13,384,542</u>
Total Fund Balances	<u>8,372,207</u>	<u>27,692,360</u>	<u>13,384,542</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 8,414,910</u></u>	<u><u>\$ 28,598,979</u></u>	<u><u>\$ 13,761,543</u></u>

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

CITY OF RUSSELLVILLE, 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	\$ 452,996	\$ 2,379,758	\$ 132,071
Federal aid			285,218
Property taxes	305,732	734,951	
Franchise fees	2,214,125		
Sales taxes	12,557,052	7,832,363	3,356,727
Fines, forfeitures, and costs	459,424		167,592
Interest	397,424	1,593,030	752,552
Local permits and fees	350,771		750
Advertising and promotion taxes			487,340
Airport	581,863		
Park fees	321,067		94,592
Cemetery sales			15,568
Donations			5,445
Fire protection services			57,000
Sale of assets			26,100
Ambulance fees	1,003,733		
Rent			54,000
Other	330,339	35,990	47,271
	18,974,526	12,576,092	5,482,226
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	2,921,367		270,431
Law enforcement	6,099,393		929,141
Highways and streets	27,989	16,161,303	
Public safety	6,457,124		3,225,638
Health	73,795		
Recreation and culture	2,044,998		1,577,143
Advertising and promotion			573,067
Economic development			239,238
Airport	686,479		441,730
Cemetery			154,415
Total Current	18,311,145	16,161,303	7,410,803
Debt Service:			
Financed purchase principal	426,992		
Financed purchase interest	62,923		
	18,801,060	16,161,303	7,410,803
TOTAL EXPENDITURES			

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

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 173,466</u>	<u>\$ (3,585,211)</u>	<u>\$ (1,928,577)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			417,171
Transfers out	<u>(417,171)</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(417,171)</u>		<u>417,171</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(243,705)	(3,585,211)	(1,511,406)
FUND BALANCES - JANUARY 1	<u>8,615,912</u>	<u>31,277,571</u>	<u>14,895,948</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 8,372,207</u></u>	<u><u>\$ 27,692,360</u></u>	<u><u>\$ 13,384,542</u></u>

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

CITY OF RUSSELLVILLE, 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	\$ 496,526	\$ 452,996	\$ (43,530)	\$ 2,347,760	\$ 2,379,758	\$ 31,998
Federal aid				3,349,851		(3,349,851)
Property taxes	240,000	305,732	65,732	525,000	734,951	209,951
Franchise fees	2,232,010	2,214,125	(17,885)			
Sales taxes	12,572,798	12,557,052	(15,746)	8,176,953	7,832,363	(344,590)
Fines, forfeitures, and costs	600,039	459,424	(140,615)			
Interest	339,000	397,424	58,424	1,340,000	1,593,030	253,030
Local permits and fees	644,905	350,771	(294,134)			
Airport	651,550	581,863	(69,687)			
Park fees	302,500	321,067	18,567			
Ambulance fees	906,250	1,003,733	97,483			
Other	613,340	330,339	(283,001)	800	35,990	35,190
TOTAL REVENUES	19,598,918	18,974,526	(624,392)	15,740,364	12,576,092	(3,164,272)
EXPENDITURES						
Current:						
General government	3,980,584	2,921,367	1,059,217			
Law enforcement	6,622,659	6,099,393	523,266			
Highways and streets		27,989	(27,989)	47,133,668	16,161,303	30,972,365
Public safety	6,527,231	6,457,124	70,107			
Health		73,795	(73,795)			
Recreation and culture	2,246,206	2,044,998	201,208			
Airport	850,038	686,479	163,559			
Total Current	20,226,718	18,311,145	1,915,573	47,133,668	16,161,303	30,972,365
Debt Service:						
Financed purchase principal		426,992	(426,992)			
Financed purchase interest		62,923	(62,923)			
TOTAL EXPENDITURES	20,226,718	18,801,060	1,425,658	47,133,668	16,161,303	30,972,365

CITY OF RUSSELLVILLE, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (627,800)	\$ 173,466	\$ 801,266	\$ (31,393,304)	\$ (3,585,211)	\$ 27,808,093
OTHER FINANCING SOURCES (USES)						
Transfers in				5,000		(5,000)
Transfers out	(439,960)	(417,171)	22,789			
TOTAL OTHER FINANCING SOURCES (USES)	(439,960)	(417,171)	22,789	5,000		(5,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,067,760)	(243,705)	824,055	(31,388,304)	(3,585,211)	27,803,093
FUND BALANCES - JANUARY 1		8,615,912	8,615,912		31,277,571	31,277,571
FUND BALANCES - DECEMBER 31	\$ (1,067,760)	\$ 8,372,207	\$ 9,439,967	\$ (31,388,304)	\$ 27,692,360	\$ 59,080,664

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

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Russellville was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City.

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

Capital Projects 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 the Capital Projects Fund as reported with other funds in the aggregate.

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

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 accounts.

Settlements Pending

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

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

CITY OF RUSSELLVILLE, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024

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 except for the Phoenix Innovation Grant Fund.

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Bank Balance
Insured (FDIC)	\$ 503,380
Collateralized:	
Collateral held by the pledging financial institution's trust department or agent in the City's name	48,288,345
Total Deposits	\$ 48,791,725

The above total deposits do not include cash on hand of \$36,359.

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Property taxes	\$ 28,738	\$ 69,200	
Franchise fees	76,882		
Sales taxes	1,032,938	648,495	\$ 277,926
Local permits and fees	660		
Advertising and promotion taxes			32,514
Airport	26,050		
Other	2,461		
Totals	<u>\$ 1,167,729</u>	<u>\$ 717,695</u>	<u>\$ 310,440</u>

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	<u>\$ 42,703</u>	<u>\$ 906,619</u>	<u>\$ 200,256</u>

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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			\$ 2,915,427
Law enforcement			714,960
Highways and streets		\$ 21,917,605	
Public safety			266,003
Recreation and culture			284,502
Advertising and promotion			493,067
Economic development			5,957,970
Cemetery			295,090
Total Restricted		<u>21,917,605</u>	<u>10,927,019</u>
Committed for:			
Public safety			61,208
Recreation and culture			295,691
Total Committed			<u>356,899</u>
Assigned to:			
General government			1
Highways and streets		5,774,755	
Public safety			50,026
Health	\$ 623,448		
Recreation and culture			843,547
Cemetery			33,354
Capital outlay			1,173,696
Total Assigned	<u>623,448</u>	<u>5,774,755</u>	<u>2,100,624</u>
Unassigned	<u>7,748,759</u>		
Totals	<u>\$ 8,372,207</u>	<u>\$ 27,692,360</u>	<u>\$ 13,384,542</u>

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 \$117,607,367. 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 \$30,526,876. There were no short-term financing obligations.

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8: Commitments

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

	December 31, 2024
Long-term liabilities	\$ 2,309,025
Construction contracts	9,270,289
Total Commitments	\$ 11,579,314

Long-term liabilities

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

	December 31, 2024
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 2,309,025

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

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	\$ 2,207,653
Ending balance compensated absences	2,309,025
Net increase (decrease)	\$ 101,372

Post Employment Benefits Other Than Pensions

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

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
<u>Direct Borrowings</u>				
Financed purchases	\$ 426,992	\$ 0	\$ 426,992	\$ 0

CITY OF RUSSELLVILLE, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024

NOTE 8: Commitments (Continued)

Construction Contracts

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

<u>Project Name</u>	<u>Completed or Estimated Completion</u>	<u>Contract Balance December 31, 2024</u>
East Main Street Pedestrian	July 2025	\$ 711,312
Pickleball Courts	September 2025	742,914
Downtown Streetscape	March 2026	7,643,508
Airport Taxiway Rehabilitation	April 2025	168,175
2024 Striping	April 2025	4,380
		<hr/>
Total Construction Contracts		<u>\$ 9,270,289</u>

NOTE 9: Interfund Transfers

The General Fund transferred \$417,171 to the Other Funds in the Aggregate to supplement operations.

NOTE 10: Jointly Governed Organizations

Fifth Judicial District Drug Task Force

The Prosecuting Attorney of the Fifth Judicial District, the Sheriffs' Departments of Franklin, Johnson, and Pope Counties, and the Police Departments of Clarksville, Ozark, and Russellville entered into an agreement to establish the Fifth Judicial District Drug Task Force (Task Force). Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fifth Judicial District. Financial statements of the Task Force are not available. The City did not contribute any funding to the Task Force during 2024.

West River Valley Solid Waste Management District

Conway, Crawford, Franklin, Johnson, Logan, Perry, Pope, Scott, and Yell Counties and the Cities of Alma, Atkins, Booneville, Charleston, Clarksville, Dardanelle, Morrilton, Ozark, Paris, Russellville, Waldron, and Van Buren entered into an agreement in 1997 to form the West River Valley Solid Waste Management District (District) in accordance with Ark. Code Ann. § 8-6-707. The City did not provide any funding for the District in 2024. Separate financial statements may be obtained at: 24087 Highway 164, Clarksville, AR 72830.

NOTE 11: Risk Management

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

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

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

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11: Risk Management (Continued)

Municipal Vehicle Program

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$10,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

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

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

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

Plan Description

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

On December 12, 2019 and June 15, 2020, administration of the City of Russellville Firemen's Pension and Relief Fund and Policemen's Pension Fund was transferred to LOPFI, respectively. The benefit structure of these plans was not changed.

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$1,714,837 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$712,007 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 \$12,196,729.

NOTE 13: 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 \$586,541.

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 \$4,193,339.

CITY OF RUSSELLVILLE, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 14: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurer, Helen Price, \$6,579 for the year ended December 31, 2024.

NOTE 15: Subsequent Events

On February 13, 2025, the City entered into an agreement with Redstone Construction Group, Inc. in the amount of \$783,999 for Phase I of the Airport Apron Reconstruction.

On June 3, 2025, the City paid \$775,260 to purchase five acres of land and a building.

On August 21, 2025, the City entered into an agreement with Geo Surfaces in the amount of \$676,136 for park improvements.

NOTE 16: Federal Funds Program Compliance

The 2022 federal grants were not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City. The City signed an engagement letter for a 2022 federal compliance audit on June 11, 2025.

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Criminal Justice	Police Training	District Court Cost	Fire Contingency	Fire Insurance Premiums	No Vehicle Insurance	Court Automation	Advertising and Promotion Commission	Parks and Recreation
ASSETS									
Cash and cash equivalents	\$ 88,985	\$ 24,879	\$ 57,823	\$ 111,234	\$ 210,770	\$ 55,233	\$ 545,244	\$ 467,347	\$ 1,330,337
Accounts receivable								32,514	92,642
TOTAL ASSETS	\$ 88,985	\$ 24,879	\$ 57,823	\$ 111,234	\$ 210,770	\$ 55,233	\$ 545,244	\$ 499,861	\$ 1,422,979
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable							\$ 1,971	\$ 6,794	\$ 1,971
Settlements pending									
Total Liabilities							1,971	6,794	1,971
Fund Balances:									
Restricted	\$ 88,985	\$ 24,879	\$ 57,823		\$ 210,770	\$ 55,233	543,273	493,067	281,770
Committed				\$ 61,208					295,691
Assigned				50,026					843,547
Total Fund Balances	88,985	24,879	57,823	111,234	210,770	55,233	543,273	493,067	1,421,008
TOTAL LIABILITIES AND FUND BALANCES	\$ 88,985	\$ 24,879	\$ 57,823	\$ 111,234	\$ 210,770	\$ 55,233	\$ 545,244	\$ 499,861	\$ 1,422,979

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Convention Center	Economic Development #1	Economic Development #2	Economic Development #3	Oakland Cemetery	Latimore House	Phoenix Innovation Grant	Federal Grants
ASSETS								
Cash and cash equivalents	\$ 2,915,427	\$ 2,633,371	\$ 1,071,489	\$ 2,160,467	\$ 329,067	\$ 2,732	\$ 1	\$ 1
Accounts receivable				92,642				
TOTAL ASSETS	<u>\$ 2,915,427</u>	<u>\$ 2,633,371</u>	<u>\$ 1,071,489</u>	<u>\$ 2,253,109</u>	<u>\$ 329,067</u>	<u>\$ 2,732</u>	<u>\$ 1</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable					\$ 623			
Settlements pending								
Total Liabilities					<u>623</u>			
Fund Balances:								
Restricted	\$ 2,915,427	\$ 2,633,371	\$ 1,071,489	\$ 2,253,109	295,090	\$ 2,732	\$ 1	
Committed								
Assigned					33,354			\$ 1
Total Fund Balances	<u>2,915,427</u>	<u>2,633,371</u>	<u>1,071,489</u>	<u>2,253,109</u>	<u>328,444</u>	<u>2,732</u>	<u>1</u>	<u>1</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,915,427</u>	<u>\$ 2,633,371</u>	<u>\$ 1,071,489</u>	<u>\$ 2,253,109</u>	<u>\$ 329,067</u>	<u>\$ 2,732</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

Schedule 1

	CAPITAL PROJECTS FUND	CUSTODIAL FUNDS					Totals
	Capital Assets	Administration of Justice	District Court	Hughes Center	Aquatic Center	Permitting	
ASSETS							
Cash and cash equivalents	\$ 1,269,951	\$ 2,181	\$ 145,979	\$ 11,266	\$ 5,368	\$ 11,951	\$ 13,451,103
Accounts receivable	92,642						310,440
TOTAL ASSETS	\$ 1,362,593	\$ 2,181	\$ 145,979	\$ 11,266	\$ 5,368	\$ 11,951	\$ 13,761,543
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 188,897						\$ 200,256
Settlements pending		\$ 2,181	\$ 145,979	\$ 11,266	\$ 5,368	\$ 11,951	176,745
Total Liabilities	188,897	2,181	145,979	11,266	5,368	11,951	377,001
Fund Balances:							
Restricted							10,927,019
Committed							356,899
Assigned	1,173,696						2,100,624
Total Fund Balances	1,173,696						13,384,542
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,362,593	\$ 2,181	\$ 145,979	\$ 11,266	\$ 5,368	\$ 11,951	\$ 13,761,543

CITY OF RUSSELLVILLE, 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									
	Criminal Justice	Police Training	District Court Cost	Fire Contingency	Fire Insurance Premiums	No Vehicle Insurance	Court Automation	Advertising and Promotion Commission	Parks and Recreation	Convention Center
REVENUES										
State aid					\$ 64,071					
Federal aid										
Sales taxes									\$ 1,118,909	
Fines, forfeitures, and costs	\$ 75,068	\$ 11,155	\$ 15,685			\$ 27,584	\$ 38,100			
Interest	4,898	1,191	3,253	\$ 8,084	9,286	2,322	28,769	\$ 2,953	86,218	\$ 150,090
Local permits and fees				750						
Advertising and promotion taxes								487,340		
Park fees									94,592	
Cemetery sales										
Donations				3,345					600	
Fire protection services				57,000						
Sale of assets				26,100						
Rent										
Other				2,941				34,110	686	
TOTAL REVENUES	79,966	12,346	18,938	98,220	73,357	29,906	66,869	524,403	1,301,005	150,090
EXPENDITURES										
Current:										
General government										
Law enforcement	96,195	4,999	28,390				60,060			
Public safety				150,313	10,976	12,235				
Recreation and culture									1,444,648	
Advertising and promotion								573,067		
Economic development										
Airport										
Cemetery										
TOTAL EXPENDITURES	96,195	4,999	28,390	150,313	10,976	12,235	60,060	573,067	1,444,648	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,229)	7,347	(9,452)	(52,093)	62,381	17,671	6,809	(48,664)	(143,643)	150,090
OTHER FINANCING SOURCES (USES)										
Transfers in										
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(16,229)	7,347	(9,452)	(52,093)	62,381	17,671	6,809	(48,664)	(143,643)	150,090
FUND BALANCES - JANUARY 1	105,214	17,532	67,275	163,327	148,389	37,562	536,464	541,731	1,564,651	2,765,337
FUND BALANCES - DECEMBER 31	<u>\$ 88,985</u>	<u>\$ 24,879</u>	<u>\$ 57,823</u>	<u>\$ 111,234</u>	<u>\$ 210,770</u>	<u>\$ 55,233</u>	<u>\$ 543,273</u>	<u>\$ 493,067</u>	<u>\$ 1,421,008</u>	<u>\$ 2,915,427</u>

CITY OF RUSSELLVILLE, 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 FUND	Totals
	Economic Development #1	Economic Development #2	Economic Development #3	Oakland Cemetery	Latimore House	Phoenix Innovation Grant	Federal Grants	
REVENUES								
State aid					\$ 68,000			\$ 132,071
Federal aid						\$ 750	\$ 284,468	285,218
Sales taxes			\$ 1,118,909				1,118,909	3,356,727
Fines, forfeitures, and costs								167,592
Interest	\$ 134,162	\$ 58,693	113,394	\$ 18,187	1,042		130,010	752,552
Local permits and fees								750
Advertising and promotion taxes								487,340
Park fees								94,592
Cemetery sales				15,568				15,568
Donations				1,500				5,445
Fire protection services								57,000
Sale of assets								26,100
Rent	54,000							54,000
Other			9,375	159				47,271
TOTAL REVENUES	188,162	58,693	1,241,678	35,414	69,042	750	1,533,387	5,482,226
EXPENDITURES								
Current:								
General government							270,431	270,431
Law enforcement			136,904				602,593	929,141
Public safety			716,475				2,335,639	3,225,638
Recreation and culture			25,089		102,293		5,113	1,577,143
Advertising and promotion								573,067
Economic development		86,193	148,920			4,125		239,238
Airport							441,730	441,730
Cemetery				154,415				154,415
TOTAL EXPENDITURES		86,193	1,027,388	154,415	102,293	4,125	3,655,506	7,410,803
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	188,162	(27,500)	214,290	(119,001)	(33,251)	(3,375)	(2,122,119)	(1,928,577)
OTHER FINANCING SOURCES (USES)								
Transfers in				73,200			343,971	417,171
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	188,162	(27,500)	214,290	(45,801)	(33,251)	(3,375)	(1,778,148)	(1,511,406)
FUND BALANCES - JANUARY 1	2,445,209	1,098,989	2,038,819	374,245	35,983	3,376	\$ 2,951,844	14,895,948
FUND BALANCES - DECEMBER 31	<u>\$ 2,633,371</u>	<u>\$ 1,071,489</u>	<u>\$ 2,253,109</u>	<u>\$ 328,444</u>	<u>\$ 2,732</u>	<u>\$ 1</u>	<u>\$ 1,173,696</u>	<u>\$ 13,384,542</u>

CITY OF RUSSELLVILLE, 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.

<u>Fund Name</u>	<u>Fund Description</u>
Criminal Justice	Ark. Code Ann. § 16-10-308 established the City Administration of Justice Fund which continued to finance this fund established by Russellville Ordinance no. 1186 (December 5, 1985) to account for court costs that are to be used to defray the cost of incarcerating prisoners.
Police Training	Ark. Code Ann. § 16-10-308 established the City Administration of Justice Fund which continued to finance this fund established by Russellville Ordinance no. 1345 (September 27, 1990) to account for court costs that are to be used for police equipment, police training, and covert operations within the City.
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.
Fire Contingency	Established by Russellville Ordinance no. 1037 (July 8, 1982) to account for revenues derived from fire department services, the sale of any materials, vehicles or firefighting equipment assigned to the fire department, and any other funds including bequests, gifts, donations, or contributions to be used solely for costs associated with the fire department.
Fire Insurance Premiums	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.
No Vehicle Insurance	Ark. Code Ann. §§ 27-14-314, 27-22-103 established fund for fines related to failure to register and insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus.
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.

CITY OF RUSSELLVILLE, 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.

<u>Fund Name</u>	<u>Fund Description</u>
Advertising and Promotion Commission	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. Russellville Ordinance no. 1692 (September 2, 2000) levied a tax of one and one-half percent, amended by Russellville Ordinance no. 1957 (January 18, 2007) to three percent, upon the gross receipts of hotel or motel accommodations.
Parks and Recreation	Established by Russellville Ordinance no. 630 (December 14, 1966), repealed by Ordinance no. 2174 (May 15, 2014), to account for revenues that are to be used for recreation and park purposes, including park fees and sales tax collections that were voter approved by Russellville Ordinance no. 2358 (July 7, 2020).
Convention Center	Established by Russellville Ordinance no. 1971 (April 19, 2007) to receive sales tax collections that were voter approved for convention center purposes.
Economic Development #1	Established by Russellville Ordinance no. 1759 (July 18, 2002) to receive sales tax collections that were voter approved for economic development purposes.
Economic Development #2	Established by Russellville Ordinance no. 1971 (April 19, 2007) to receive sales tax collections that were voter approved for economic development purposes.
Economic Development #3	Established by Russellville Ordinance nos. 2147 (June 27, 2013) and 2358 (July 7, 2020) to receive sales tax collections that were voter approved for economic development purposes.
Oakland Cemetery	Ark. Code Ann. § 20-17-1016 and Russellville Ordinance no. 1961 (February 15, 2007), repealed by Ordinance no. 2328 (July 18, 2019), established fund to receive cemetery fees and provide for the perpetual operation and maintenance of the cemetery.
Latimore House	Established to account for grant funds received.
Phoenix Innovation Grant	Established by Russellville Resolution no. 2086 (October 20, 2022) to account for grant funds received for the Phoenix Innovations expansion project.
Federal Grants	Established to account for federal grant funds received.

CITY OF RUSSELLVILLE, 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.

<u>Fund Name</u>	<u>Fund Description</u>
Capital Assets	Established by Russellville Ordinance no. 1825 (April 15, 2004) to account for revenues and expenditures restricted for capital assets and improvements, including sales tax collections that were voter approved by Russellville Ordinance nos. 2147 (June 27, 2013) and 2358 (July 7, 2020) and state and federal grants.
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.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Hughes Center	Established to account for park and recreation fees collected at the Hughes Center.
Aquatic Center	Established to account for park and recreation fees collected at the Aquatic Center.
Permitting	Established to account for permitting and safety fees collected at the Permitting Department.

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

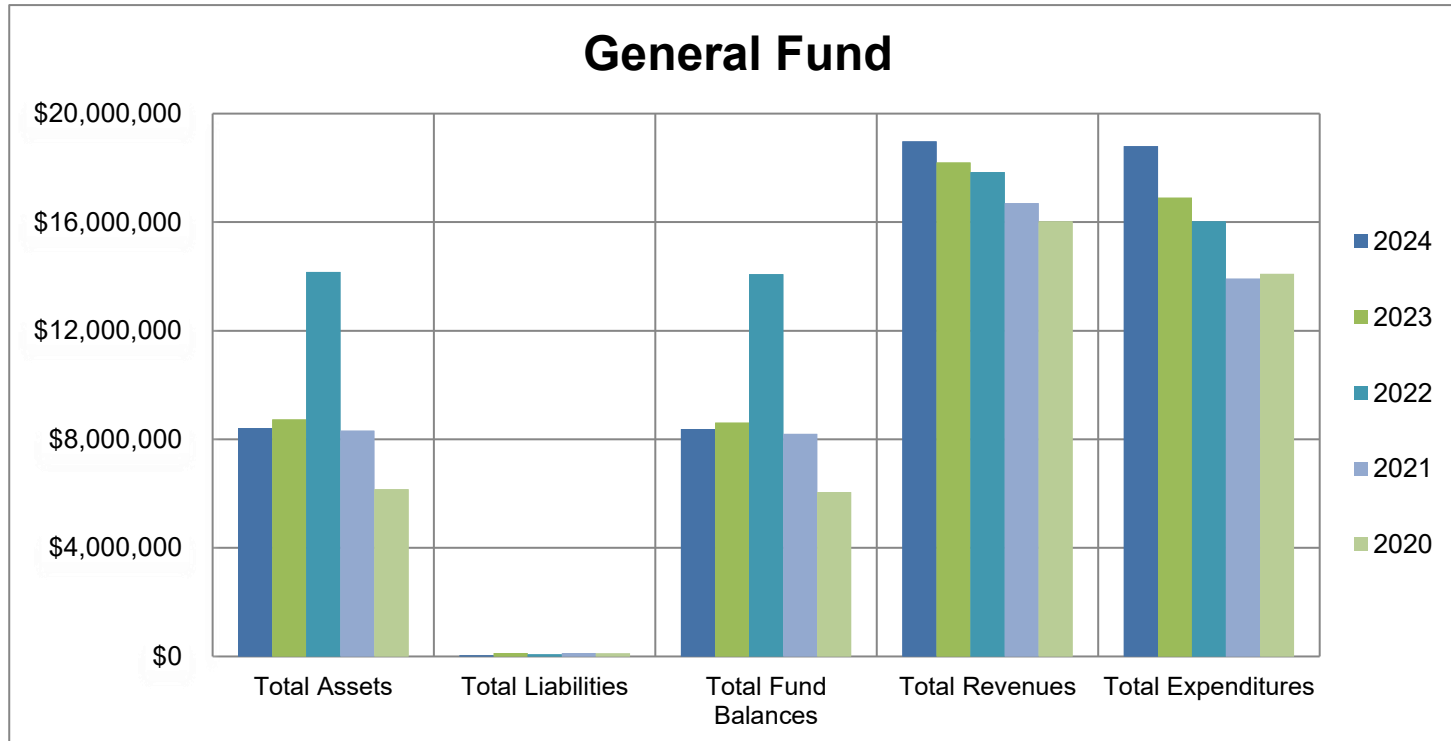
Schedule 3

	<u>December 31, 2024</u>
Land	\$ 9,749,482
Buildings	28,369,854
Improvements	8,748,384
Equipment	21,191,365
Construction in Progress	<u>72,048</u>
Total	<u>\$ 68,131,133</u>

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

Schedule 4-1

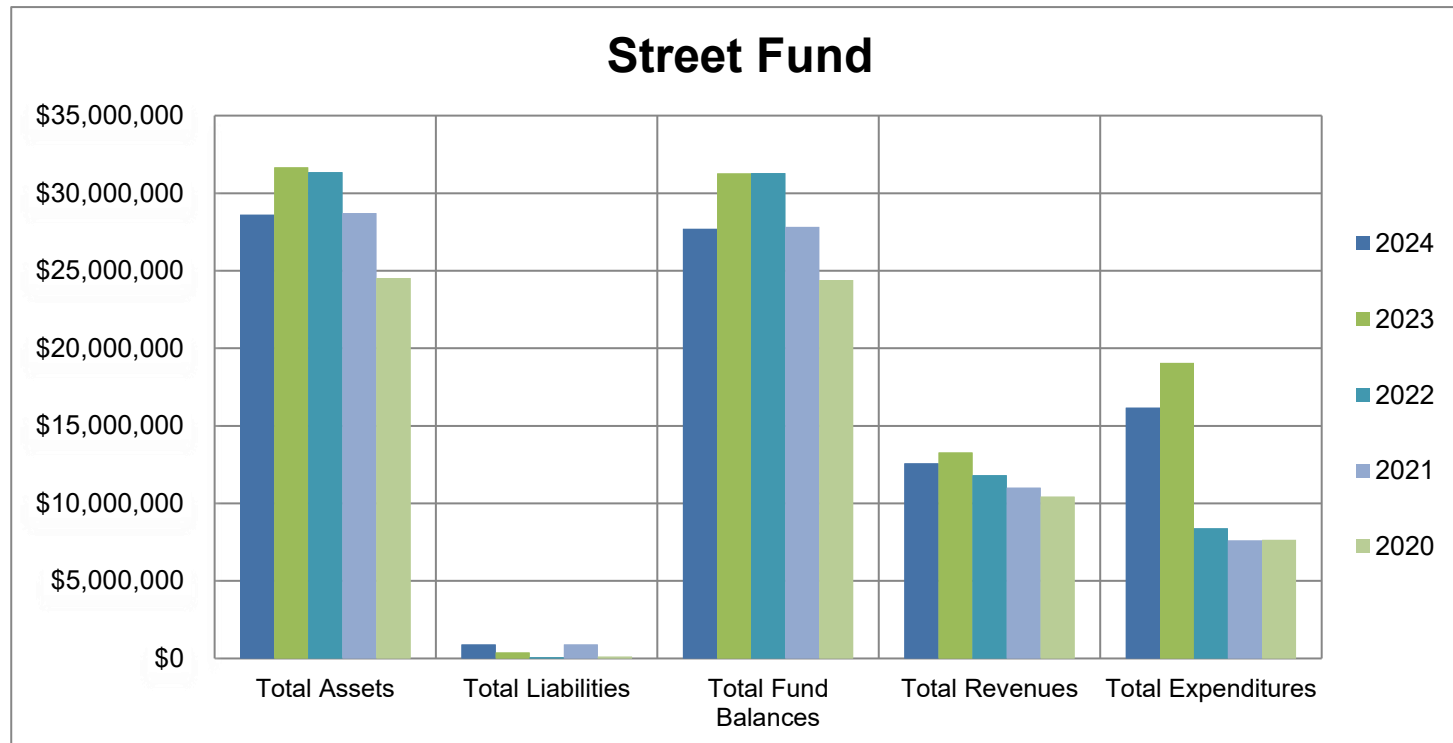
<u>General</u>	2024	2023	2022	2021	2020
Total Assets	\$ 8,414,910	\$ 8,735,217	\$ 14,169,028	\$ 8,314,253	\$ 6,164,860
Total Liabilities	42,703	119,305	82,204	119,579	111,026
Total Fund Balances	8,372,207	8,615,912	14,086,824	8,194,674	6,053,834
Total Revenues	18,974,526	18,196,642	17,845,511	16,699,729	16,029,306
Total Expenditures	18,801,060	16,905,367	16,031,296	13,920,183	14,093,244
Total Other Financing Sources/Uses	(417,171)	(6,762,187)	4,077,935	(638,706)	(53,594)



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

Schedule 4-2

<u>Street</u>	2024	2023	2022	2021	2020
Total Assets	\$ 28,598,979	\$ 31,653,838	\$ 31,359,540	\$ 28,714,733	\$ 24,518,773
Total Liabilities	906,619	376,267	79,762	895,926	111,801
Total Fund Balances	27,692,360	31,277,571	31,279,778	27,818,807	24,406,972
Total Revenues	12,576,092	13,287,776	11,816,738	10,998,844	10,421,357
Total Expenditures	16,161,303	19,064,738	8,386,509	7,599,976	7,639,691
Total Other Financing Sources/Uses		5,774,755	30,742	12,967	



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Assets	\$ 13,761,543	\$ 15,149,417	\$ 14,163,826	\$ 13,774,721	\$ 9,275,128
Total Liabilities	377,001	253,469	169,014	503,244	330,903
Total Fund Balances	13,384,542	14,895,948	13,994,812	13,271,477	8,944,225
Total Revenues	5,482,226	5,385,938	8,984,321	7,747,321	3,520,779
Total Expenditures	7,410,803	5,472,234	4,152,309	3,929,523	2,460,724
Total Other Financing Sources/Uses	417,171	987,432	(4,108,677)	509,454	(6,979,887)

