

# **City of Bentonville, Arkansas**

## **Annual Comprehensive Financial Report**

For the Year Ended December 31, 2024



Prepared by:  
Patrick Johndrow  
Finance Director

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# City of Bentonville, Arkansas

## December 31, 2024

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**December 31, 2024**

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## **Introductory Section**

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**City of Bentonville, Arkansas**  
**Finance and Accounting Department**  
**1000 SW 14<sup>th</sup> St – Bentonville, Arkansas 72712**  
**Phone (479)-271-3100 – Fax (479) 271-5913**

To the Citizens of the City of Bentonville, Honorable Mayor and Members of the City Council:

The Annual Comprehensive Financial Report of the City of Bentonville, Arkansas (the City) for the year ended December 31, 2024, is submitted in accordance with state statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

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

The City of Bentonville's financial statements have been audited by **Forvis Mazars, LLP**, a firm of licensed independent certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the financial statements of the governmental activities, business-type activities, each major fund and aggregate remaining fund information that collectively comprise the City of Bentonville's basic financial statements as of and for the fiscal year ended December 31, 2024. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statements. It is our intention that the MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Bentonville was incorporated in 1837 and is located in the northwest corner of the State of Arkansas. The City currently occupies a land area of approximately 31.5 square miles. The City's population is estimated to be 61,791 as of July 1, 2024, according to the U.S. Census Bureau. According to population projections from the Northwest Arkansas Regional Planning Commission, it is estimated that Bentonville's population could grow to 113,658 by the year 2045.

The City is empowered to levy property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically, when deemed appropriate by the City Council.

The City of Bentonville is operated under the Mayor-Council form of government. The Mayor is elected by the Citizens of Bentonville to a four year term. The Mayor serves as the chief executive of the city, presides over City Council meetings and has the ability to vote on City Council items in the event of a tie. The City Council is made up of two members from each ward (eight total members) within the City and are elected for four-year terms. The City Council has the ability to enact laws (ordinances) for the health, safety and welfare of the city not in conflict with the United States constitution or the constitution of the State of Arkansas. The legal level of budgetary control is maintained at the fund level for all funds. However, management control is maintained at the department level. Departments may transfer resources within the same budget category as they see fit. Expenditures greater than budgeted amounts must be approved by the City Council by voting to amend the budget. Budgets are annually appropriated for the general, street and federal grants funds.

The City of Bentonville provides a full range of services including police, fire, emergency ambulance service, library, parks, recreation, water, sewer, electric, traffic engineering, streets and infrastructure, community development (planning and zoning), economic development and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government.

### **Factors Affecting Financial Condition**

**Local Economy.** The City of Bentonville historically benefits from low unemployment rates. There are several major industries in the City, with Wal-Mart and Sam's Club headquarters in Bentonville. The City is also home to Northwest Arkansas Community College. These employers draw their workforce from a population of more than 590,000 within the Fayetteville-Springdale-Rogers MSA (metropolitan statistical area) of which Bentonville is a part. Other major employers also located in the Fayetteville-Springdale-Rogers MSA include Tyson's Foods, J.B. Hunt Transport, and the University of Arkansas.

### **Relevant Financial Policies**

The City's accounting records for general government activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's electric, water and sewer utility and other proprietary activities are maintained on an accrual basis.

The annual budget serves as the foundation for the City of Bentonville, Arkansas' financial planning and control. The annual budget for all funds for the following year is prepared each year by the Mayor and Department Heads and is submitted to City Council for review and approval before the end of the current year. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

### **Long-term Financial Planning**

During the annual budgeting process, the City evaluates long-term capital requirements and projected conditions in the local economy. The City is constantly monitoring the current economic conditions and will adjust the annual budget accordingly.

### **Awards and Acknowledgements**

**Awards:** The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Bentonville, Arkansas for its budget document prepared for the budget year ended December 31, 2024. The City of Bentonville has earned this award for 25 consecutive years.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bentonville for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1)-year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgements:** This report and the information contained therein would not have been possible without the help of the all the departments within the City of Bentonville that provided information presented. We would also like to express our appreciation to the Mayor and City Council for their interest and support in the responsible planning and conducting of the financial operations of the City.

Respectively submitted,

A handwritten signature in black ink, appearing to read 'Patrick Johndrow', written in a cursive style.

Patrick Johndrow  
Finance Director

June 30, 2025



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bentonville  
Arkansas**

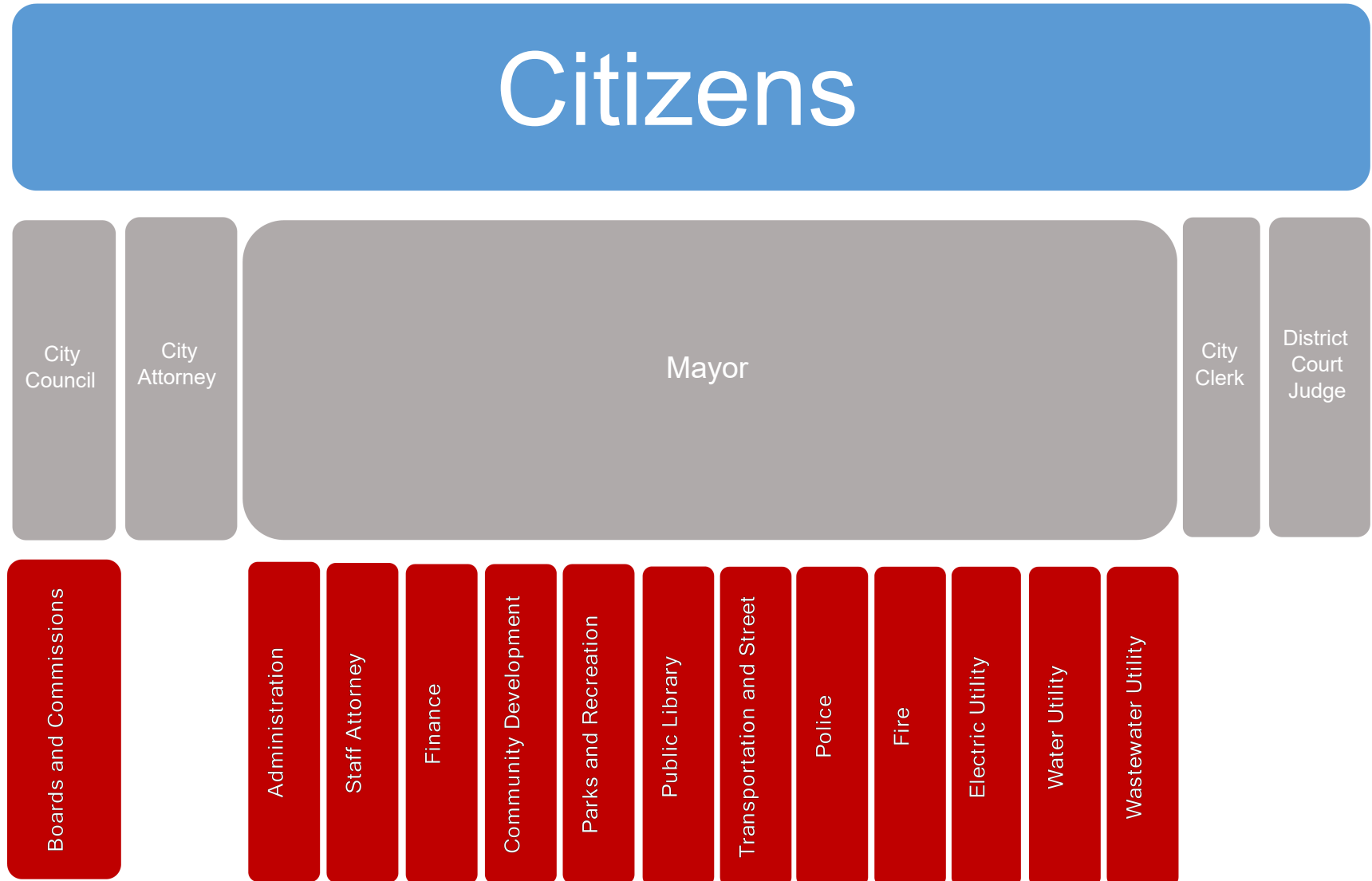
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morrell*

Executive Director/CEO

## City of Bentonville Organizational Chart



**City of Bentonville, Arkansas**  
**List of Elected and Appointed Officials**

**Stephanie Orman**  
Mayor

| <b>Name</b>                   | <b>Ward</b> | <b>Position</b> |
|-------------------------------|-------------|-----------------|
| Beckie Seba                   | 1           | 1               |
| Gayatri Agnew                 | 1           | 2               |
| Cindy Acree                   | 2           | 1               |
| Chris Sooter                  | 2           | 2               |
| Aubrey Patterson              | 3           | 1               |
| Bill Burckart                 | 3           | 2               |
| Octavio Sanchez               | 4           | 1               |
| Holly Hook                    | 4           | 2               |
| Bonnie Bridges, City Attorney |             |                 |
| David Bailey, City Attorney   |             |                 |
| Kirby Romines, City Clerk     |             |                 |

## **Financial Section**

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## **Independent Auditor's Report**

The Honorable Mayor and Members of the City Council  
City of Bentonville, Arkansas  
Bentonville, Arkansas

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bentonville, Arkansas (City), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the identify accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Forvis Mazars, LLP**

**Rogers, Arkansas  
June 30, 2025**

# City of Bentonville, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

As management of the City of Bentonville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2024. The information contained in this MD&A should be considered in conjunction with our letter of transmittal at the front of this report and the information contained in the Independent Auditor's Reports, Financial Statements and Supplementary Information.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$921,964,920.
- As of the close of the current fiscal year, the City of Bentonville's governmental funds reported combined ending fund balances of \$187,382,812.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$101,379,069 which is 93% of total general fund expenditures.
- The City's total bond related debt decreased by \$20,500,863 or 18% during 2023 which is discussed in the *Long-term Debt* section of this document.
- The City had general revenues of \$111,946,742, grants and contribution revenue of \$58,384,450, charges for services of \$143,384,523 and program expenses of \$228,974,387 for the year ended December 31, 2024.
- The City's capital additions for the year, including outlays in the enterprise fund and developer contributions, were \$144,404,721.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

# City of Bentonville, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (*e.g.*, uncollected taxes and earned but unused vacation leave).

The government-wide financial statements are divided into two categories, governmental and business-type activities. The governmental activities of the City include General Government, Administrative Services, Police, Fire, Public Works, Community Development, Library and Parks. The business-type activities of the City include Electric, Water, Wastewater, Sanitation and related support departments which comprise the Utility Fund.

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

#### **Fund Financial Statements**

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

#### *Governmental Funds*

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

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

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

# City of Bentonville, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

The basic governmental fund financial statements can be found on pages 15–16 of this report.

#### *Proprietary Funds*

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater and sanitation operations.

Proprietary funds, in general, charge customers for services provided. Like the government-wide financial statements, proprietary fund financial statements are presented using a long-term financial accounting approach and the full accrual basis of accounting. Additional information is provided in the proprietary funds' statement of cash flows.

The basic proprietary fund financial statements can be found on pages 17–19 of this report.

#### *Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20–61 of this report.

#### *Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's budget to actual analysis for the general fund, street fund and the City's federal grant fund as well as the progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages 62–71 of this report.

The combining schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budget information, pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 72–77 of this report.

### **GOVERNMENT-WIDE ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$921,964,920 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (82%) is its investment in capital assets (*e.g.*, land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending.

**City of Bentonville, Arkansas**  
**Management's Discussion and Analysis**  
**December 31, 2024**

**Net Position**

|                                      | <b>Governmental<br/>Activities</b> |                       | <b>Business-type<br/>Activities</b> |                       | <b>Total</b>          |                       |
|--------------------------------------|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
|                                      | <b>2024</b>                        | <b>2023</b>           | <b>2024</b>                         | <b>2023</b>           | <b>2024</b>           | <b>2023</b>           |
| Current and other assets             | \$ 234,160,026                     | \$ 280,974,168        | \$ 82,908,952                       | \$ 77,529,883         | \$ 317,068,978        | \$ 358,504,051        |
| Capital assets                       | <u>494,378,334</u>                 | <u>398,702,504</u>    | <u>316,898,707</u>                  | <u>294,328,339</u>    | <u>811,277,041</u>    | <u>693,030,843</u>    |
| Total assets                         | <u>728,538,360</u>                 | <u>679,676,672</u>    | <u>399,807,659</u>                  | <u>371,858,222</u>    | <u>1,128,346,019</u>  | <u>1,051,534,894</u>  |
| Total deferred outflows of resources | <u>18,802,137</u>                  | <u>24,867,589</u>     | <u>3,361,135</u>                    | <u>5,024,939</u>      | <u>22,163,272</u>     | <u>29,892,528</u>     |
| Long-term liabilities                | 149,037,260                        | 164,559,594           | 23,301,507                          | 23,875,906            | 172,338,767           | 188,435,500           |
| Other liabilities                    | <u>35,319,974</u>                  | <u>38,842,286</u>     | <u>15,695,684</u>                   | <u>11,187,217</u>     | <u>51,015,658</u>     | <u>50,029,503</u>     |
| Total liabilities                    | <u>184,357,234</u>                 | <u>203,401,880</u>    | <u>38,997,191</u>                   | <u>35,063,123</u>     | <u>223,354,425</u>    | <u>238,465,003</u>    |
| Total deferred inflows of resources  | <u>4,299,256</u>                   | <u>5,314,634</u>      | <u>890,690</u>                      | <u>424,193</u>        | <u>5,189,946</u>      | <u>5,738,827</u>      |
| Net position:                        |                                    |                       |                                     |                       |                       |                       |
| Net investment in capital assets     | 443,943,355                        | 385,756,761           | 314,071,877                         | 290,827,026           | 758,015,232           | 676,583,787           |
| Restricted                           | 42,475,960                         | 35,809,709            | 1,967,235                           | 1,755,865             | 44,443,195            | 37,565,574            |
| Unrestricted                         | <u>72,264,692</u>                  | <u>74,261,277</u>     | <u>47,241,801</u>                   | <u>48,812,954</u>     | <u>119,506,493</u>    | <u>123,074,231</u>    |
| Total net position                   | <u>\$ 558,684,007</u>              | <u>\$ 495,827,747</u> | <u>\$ 363,280,913</u>               | <u>\$ 341,395,845</u> | <u>\$ 921,964,920</u> | <u>\$ 837,223,592</u> |

An additional portion of the City's net position (4.82%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$119,506,493 may be used to meet the City's ongoing obligations to citizens and creditors.

As a result of current year operations, total net position of the City increased by \$84,741,328 which is consistent with the increase in fiscal year 2023. The City continues to benefit from developer-funded infrastructure projects and capital contributions. Capital assets net of accumulated depreciation increased \$118,246,198. The major capital asset events contributing to this increase are discussed in the *Capital Assets* section of this document. Restricted net position increased by \$6,877,621 primarily due to the receipt of restricted grants.

**City of Bentonville, Arkansas**  
**Management's Discussion and Analysis**  
**December 31, 2024**

**Changes in Net Position**

|                                       | <b>Governmental<br/>Activities</b> |                       | <b>Business-Type<br/>Activities</b> |                       | <b>Total</b>          |                       |
|---------------------------------------|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
|                                       | <b>2024</b>                        | <b>2023</b>           | <b>2024</b>                         | <b>2023</b>           | <b>2024</b>           | <b>2023</b>           |
| Revenues:                             |                                    |                       |                                     |                       |                       |                       |
| Program revenues:                     |                                    |                       |                                     |                       |                       |                       |
| Charges for services                  | \$ 12,701,635                      | \$ 11,016,786         | \$ 130,682,888                      | \$ 124,542,274        | \$ 143,384,523        | \$ 135,559,060        |
| Operating grants and contributions    | 12,375,291                         | 10,579,766            | 101,015                             | 76,561                | 12,476,306            | 10,656,327            |
| Capital grants and contributions      | 37,080,417                         | 19,337,604            | 8,827,727                           | 7,127,117             | 45,908,144            | 26,464,721            |
| General revenues:                     |                                    |                       |                                     |                       |                       |                       |
| Property taxes                        | 13,801,494                         | 13,794,453            | -                                   | -                     | 13,801,494            | 13,794,453            |
| Sales taxes                           | 69,363,687                         | 75,243,592            | -                                   | -                     | 69,363,687            | 75,243,592            |
| State turnback                        | 6,750,189                          | 6,717,895             | -                                   | -                     | 6,750,189             | 6,717,895             |
| Impact Fees                           | 2,461,928                          | 2,978,848             | -                                   | -                     | 2,461,928             | 2,978,848             |
| Franchise fees                        | 6,499,636                          | 6,017,352             | -                                   | -                     | 6,499,636             | 6,017,352             |
| Investment income (loss)              | 9,752,145                          | 7,284,673             | 1,913,835                           | 1,587,934             | 11,665,980            | 8,872,607             |
| Gain (loss) on sale of capital assets | (1,109,559)                        | 60,102                | 122,614                             | 5,000                 | (986,945)             | 65,102                |
| Intergovernmental                     | -                                  | 4,351,055             | -                                   | -                     | -                     | 4,351,055             |
| Other                                 | 2,292,816                          | 1,501,131             | 97,957                              | 73,380                | 2,390,773             | 1,574,511             |
| Transfers                             | (7,373,286)                        | (58,983)              | 7,373,286                           | 58,983                | -                     | -                     |
| Total revenues                        | <u>164,596,393</u>                 | <u>158,824,274</u>    | <u>149,119,322</u>                  | <u>133,471,249</u>    | <u>313,715,715</u>    | <u>292,295,523</u>    |
| Expenses:                             |                                    |                       |                                     |                       |                       |                       |
| General government                    | 20,628,670                         | 10,921,383            | -                                   | -                     | 20,628,670            | 10,921,383            |
| Public safety                         | 53,444,341                         | 52,327,094            | -                                   | -                     | 53,444,341            | 52,327,094            |
| Recreation                            | 16,692,535                         | 14,512,658            | -                                   | -                     | 16,692,535            | 14,512,658            |
| Street department                     | 4,717,661                          | 4,577,579             | -                                   | -                     | 4,717,661             | 4,577,579             |
| Library                               | 2,569,375                          | 2,447,699             | -                                   | -                     | 2,569,375             | 2,447,699             |
| CDBG                                  | 30,378                             | -                     | -                                   | -                     | 30,378                | -                     |
| Interest expense on long-term debt    | 3,657,173                          | 1,835,177             | -                                   | -                     | 3,657,173             | 1,835,177             |
| Electric                              | -                                  | -                     | 77,315,647                          | 75,682,962            | 77,315,647            | 75,682,962            |
| Water                                 | -                                  | -                     | 24,877,297                          | 22,246,339            | 24,877,297            | 22,246,339            |
| Wastewater                            | -                                  | -                     | 11,748,793                          | 11,068,758            | 11,748,793            | 11,068,758            |
| Sanitation                            | -                                  | -                     | 7,411,693                           | 6,777,840             | 7,411,693             | 6,777,840             |
| Support                               | -                                  | -                     | 5,880,824                           | 4,847,777             | 5,880,824             | 4,847,777             |
| Total expenses:                       | <u>101,740,133</u>                 | <u>86,621,590</u>     | <u>127,234,254</u>                  | <u>120,623,676</u>    | <u>228,974,387</u>    | <u>207,245,266</u>    |
| Increase in net position              | 62,856,260                         | 72,202,684            | 21,885,068                          | 12,847,573            | 84,741,328            | 85,050,257            |
| Net position - beginning of the year, | <u>495,827,747</u>                 | <u>423,625,063</u>    | <u>341,395,845</u>                  | <u>328,548,272</u>    | <u>837,223,592</u>    | <u>752,173,335</u>    |
| Net position – end of the year        | <u>\$ 558,684,007</u>              | <u>\$ 495,827,747</u> | <u>\$ 363,280,913</u>               | <u>\$ 341,395,845</u> | <u>\$ 921,964,920</u> | <u>\$ 837,223,592</u> |

**Governmental Activities**

Governmental activities increased the City's net position by \$62,856,260, thereby accounting for 74% of the total growth in the net position of the City. The 2024 increase is \$9.3 million less than in 2023 primarily due to an increase general government expenditures.

**Business-type Activities**

Business-type activities increased the City's net position by \$21,885,068, accounting for 26% of the total growth in the City's net position. The 2024 change in net position is \$9.0 million more than 2023 primarily due to an increase in charges for services.

# City of Bentonville, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

##### Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

##### *General Fund*

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$101,379,069, while total fund balances reached \$112,214,754. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balances and total fund balances to total fund expenditures. Unassigned fund balances represent 93% of total general fund expenditures, while total fund balances represent 103% of that same amount.

The fund balances of the City's general fund increased \$6,443,326 during the current fiscal year, a decrease of \$13,966,931 from fiscal year 2023 which was primarily driven by transfers in in 2023 that did not recur in 2024. Overall revenues increased by \$15,241,547 driven primarily by increase in sales tax and grant revenues. The increase in grant revenues was due to an increase in local grants and federal funding related to the tornado response during 2024. There was also an overall increase in expenses of \$20,319,559 due primarily to increase in capital outlays and general government due to additional expenditures in response to the tornado.

##### *Street Fund*

The City's street fund had a total fund balance of \$11,341,883 of which \$794 is nonspendable and the remaining balance is restricted to fund street capital and maintenance projects. The net increase in fund balance during the current year in the street fund was \$1,785,421. The fund balance increase is primarily due to an increase in grant funding related to capital projects.

##### *Capital Project Fund*

The City's capital project fund had a total fund balance of \$44,518,590 all of which is restricted and available to fund capital projects that meet the requirements of the Series 2021 Sales and Use Tax Refunding and Improvement Bonds and the Series 2023 Sales and Use Tax Bonds. The net decrease in fund balance during the current year in the capital project fund was \$51,733,053 and is primarily the result of spending \$55,519,549 of bond proceeds on capital improvements.

##### *Debt Service Fund*

The City's debt service fund had a total fund balance of \$10,625,073, which is restricted for debt service. The net decrease in fund balance during the current year in the debt service fund was 566,143 due to regularly scheduled debt service payments.

# City of Bentonville, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

#### Proprietary Funds

##### *Enterprise Fund*

Unrestricted net position of the enterprise fund at the end of the year was \$47,241,801. The total growth in net position of the enterprise fund was \$21,885,068. Operating revenues of the enterprise fund increased 4.5% to \$129,915,407 and the operating expenses increased 5.5% to \$126,765,229. Other factors concerning the finances of the enterprise fund have already been discussed in the City's business-type activities.

#### General Fund Budgetary Highlights

##### *Original Budget as Compared to the Final Budget*

During the 2024 fiscal year, the original budget expenditures of the general fund was amended primarily to budget for more capital projects and other costs not previously in the budget. Budgeted revenues for the general fund were amended primarily for an increase in grant funds of approximately \$63.8 million received during the year. The most significant amendments were for a budget adjustment of \$32.5 million for the 8th Street Gateway Park construction and a budget adjustment of \$21.5 million for the Adult Recreation Center construction.

##### *Actual Results as Compared to the Final Budget*

Variances between the actual revenues and expenditures and the general fund's final budget were fairly significant. The final amended budget projected a \$36,451,932 decrease in general fund balance while the actual resulted in a fund balance increase of \$6,443,326. The primary factors in the variances can be briefly summarized as follows:

- *Property tax* revenue was \$9,881,176, while the final budgeted amount was \$8,734,292. The excess revenues over the budget \$1,146,884 can be attributed to a general improvement in the local economy in 2024 compared to 2023 and an increase in assessed values of \$178,398,551, or 20%.
- *Sales tax* revenue was \$48,546,558, while the final budgeted amount was \$47,505,632. The increase in revenues over the budget \$1,040,926 can be attributed to a general increase in retail sales tax from various projects in the City and the County and inflation.
- *Charges for services* revenue was \$8,439,921, while the final budgeted amount was \$7,604,301. The increase in revenues over the budget \$835,620 can be attributed to an unforeseen increase in recreation services programs and ambulance charges.
- *Grants* revenue was \$26,178,486, while the final budgeted amount was \$87,409,060. The decrease in revenues from the budgeted amount of \$61,230,574 can be attributed to grants that were budgeted in 2024 but were not earned during the year.
- ☐ *Contributions* revenue was \$6,467,756, while the final budgeted amount was \$8,161,429. The decrease in revenues from the budgeted amount of \$1,693,673 can be attributed to contributions

# City of Bentonville, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

that were budgeted in 2024 but were not received during the year.

- *Capital outlay* expenditure was \$36,870,777, while the final budgeted amount was \$129,944,137. The decrease in expenditures from the amount budgeted of \$93,073,360 can be attributed to various budgeted capital outlay projects that were not completed in 2024 due to time constraints or planned multi-year projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of December 31, 2024 the City's investment in capital assets for its governmental and business-type activities was \$811,277,041 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and streets.

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

- Capital expenditures of \$94.3 million were made for a variety of street construction projects primarily for the widening and expansion of existing streets. In addition, \$8.0 million of streets, drainage and sidewalks constructed by developers were contributed to the City to own and maintain.
- Capital expenditures of \$234 thousand were made for various Airport improvements including widening the runway.
- Capital expenditures for additions and improvements for the City's water system, sewer system and electric system were \$16.0 million. In addition, \$6.1 million in electric, water and sewer lines were contributed by developers to the City.
- Capital expenditures for furniture, fixtures and equipment city wide totaled \$10.1 million due to additional equipment needs throughout the city.

Additional information regarding capital assets can be found on pages 35–38 of this report.

# **City of Bentonville, Arkansas**

## **Management's Discussion and Analysis**

### **December 31, 2024**

#### **Long-term Debt**

The City had \$92,679,584 in revenue bonds payable outstanding as of December 31, 2024, which is a decrease of \$20,500,863 from the previous year. The decrease was due to regularly schedule debt service payments.

Additional information regarding long-term debt can be found at pages 38–43 of this report.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The unemployment rate for the metropolitan area of Northwest Arkansas (of which Bentonville is a part) is currently 2.50%. This compares favorably to the state average unemployment rate of 3.3% and national average unemployment rate of 3.6%.
- The City's population growth has averaged about 6% annually and according to the most recent census the population is 61,791. Impact and capacity fees, an additional one cent sales tax for capital improvements and slight increases in utility rates are in place to meet the financial demands caused by this population growth.
- The General Fund adopted operating budget for 2025 was \$83 million which was an \$3.6 million increase from the 2024 budget.
- The City-Wide operating budget for 2025 was \$252 million which was a \$7.3 million increase from the 2024 budget.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance; 1000 SW 14th Street; Bentonville, Arkansas 72712.

## ***Basic Financial Statements***

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**City of Bentonville, Arkansas**  
**Statement of Net Position**  
**December 31, 2024**

|                                                                             | Primary Government         |                             |                      |
|-----------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|
|                                                                             | Governmental<br>Activities | Business-type<br>Activities | Total                |
| <b>Assets</b>                                                               |                            |                             |                      |
| <b>Current Assets</b>                                                       |                            |                             |                      |
| Cash and cash equivalents                                                   | \$ 176,050,124             | \$ 45,616,614               | \$ 221,666,738       |
| Investments                                                                 | 4,689,262                  | 3,381,474                   | 8,070,736            |
| Restricted cash and cash equivalents                                        | 17,096,862                 | 1,967,235                   | 19,064,097           |
| Receivable                                                                  |                            |                             |                      |
| Customer accounts, net of allowance for uncollectible accounts of \$400,000 | -                          | 15,402,755                  | 15,402,755           |
| Property taxes, net of allowance for uncollectibles of \$720,278            | 14,481,659                 | -                           | 14,481,659           |
| Grants and other                                                            | 11,340,316                 | 1,137,624                   | 12,477,940           |
| Internal balances                                                           | (5,523)                    | 5,523                       | -                    |
| Inventories                                                                 | -                          | 15,275,997                  | 15,275,997           |
| Prepaid items                                                               | 1,068,581                  | 121,730                     | 1,190,311            |
| Total current assets                                                        | <u>224,721,281</u>         | <u>82,908,952</u>           | <u>307,630,233</u>   |
| <b>Noncurrent Assets</b>                                                    |                            |                             |                      |
| Restricted assets                                                           |                            |                             |                      |
| Cash and cash equivalents                                                   | 732,524                    | -                           | 732,524              |
| Sales taxes receivable                                                      | 5,832,242                  | -                           | 5,832,242            |
| Total restricted assets                                                     | <u>6,564,766</u>           | <u>-</u>                    | <u>6,564,766</u>     |
| Net pension asset                                                           | 2,873,979                  | -                           | 2,873,979            |
| Capital assets - non-depreciable                                            | 153,851,974                | 25,406,780                  | 179,258,754          |
| Capital assets - depreciable, net                                           | 340,526,360                | 291,491,927                 | 632,018,287          |
|                                                                             | <u>497,252,313</u>         | <u>316,898,707</u>          | <u>814,151,020</u>   |
| Total noncurrent assets                                                     | <u>503,817,079</u>         | <u>316,898,707</u>          | <u>820,715,786</u>   |
| Total assets                                                                | <u>728,538,360</u>         | <u>399,807,659</u>          | <u>1,128,346,019</u> |
| <b>Deferred Outflows of Resources</b>                                       |                            |                             |                      |
| Deferred outflows - pensions                                                | 11,574,656                 | 2,142,067                   | 13,716,723           |
| Deferred outflows - OPEB                                                    | 1,657,731                  | 280,460                     | 1,938,191            |
| Deferred outflows - pension contributions                                   | 5,569,750                  | 938,608                     | 6,508,358            |
| Total deferred outflows of resources                                        | <u>18,802,137</u>          | <u>3,361,135</u>            | <u>22,163,272</u>    |

**City of Bentonville, Arkansas**  
**Statement of Net Position**  
**December 31, 2024**

|                                                          | Primary Government         |                             |                |
|----------------------------------------------------------|----------------------------|-----------------------------|----------------|
|                                                          | Governmental<br>Activities | Business-type<br>Activities | Total          |
| <b>Liabilities</b>                                       |                            |                             |                |
| <b>Current Liabilities</b>                               |                            |                             |                |
| Accounts payable                                         | \$ 12,285,642              | \$ 9,573,603                | \$ 21,859,245  |
| Accrued expenses and other                               | 2,658,650                  | 656,904                     | 3,315,554      |
| Accrued interest payable                                 | 681,496                    | 42,530                      | 724,026        |
| Other postemployment benefit liability - current portion | 158,921                    | 38,565                      | 197,486        |
| Compensated absences - current portion                   | 411,589                    | 110,279                     | 521,868        |
| Due to other governments                                 | 167,730                    | 270,616                     | 438,346        |
| Bonds payable - current portion                          | 3,850,000                  | 1,800,000                   | 5,650,000      |
| Unearned revenues                                        | 15,105,946                 | 3,203,187                   | 18,309,133     |
| Total current liabilities                                | 35,319,974                 | 15,695,684                  | 51,015,658     |
| <b>Noncurrent Liabilities</b>                            |                            |                             |                |
| Customer deposits                                        | -                          | 1,595,490                   | 1,595,490      |
| Compensated absences                                     | 3,942,911                  | 1,782,471                   | 5,725,382      |
| Other postemployment benefit liability                   | 7,821,219                  | 1,439,755                   | 9,260,974      |
| Net pension liability                                    | 49,723,586                 | 13,195,791                  | 62,919,377     |
| Notes payable                                            | 2,676,350                  | -                           | 2,676,350      |
| Bonds payable, net                                       | 81,741,584                 | 5,288,000                   | 87,029,584     |
| Other long-term liabilities                              | 3,131,610                  | -                           | 3,131,610      |
| Total noncurrent liabilities                             | 149,037,260                | 23,301,507                  | 172,338,767    |
| Total liabilities                                        | 184,357,234                | 38,997,191                  | 223,354,425    |
| <b>Deferred Inflows of Resources</b>                     |                            |                             |                |
| Deferred inflows - OPEB                                  | 1,666,792                  | 351,174                     | 2,017,966      |
| Deferred inflows - pensions                              | 2,632,464                  | 539,516                     | 3,171,980      |
| Total deferred inflows of resources                      | 4,299,256                  | 890,690                     | 5,189,946      |
| <b>Net Position</b>                                      |                            |                             |                |
| Net investment in capital assets                         | 443,943,355                | 314,071,877                 | 758,015,232    |
| Restricted                                               |                            |                             |                |
| Debt service                                             | 9,943,577                  | 1,958,325                   | 11,901,902     |
| New growth                                               | 8,548,623                  | -                           | 8,548,623      |
| Renewals and replacements                                | -                          | 8,910                       | 8,910          |
| Capital improvements                                     | 4,146,962                  | -                           | 4,146,962      |
| Recreation                                               | 5,574,173                  | -                           | 5,574,173      |
| Street improvements                                      | 11,341,883                 | -                           | 11,341,883     |
| Pensions                                                 | 2,873,979                  | -                           | 2,873,979      |
| Other                                                    | 46,763                     | -                           | 46,763         |
| Total restricted                                         | 42,475,960                 | 1,967,235                   | 44,443,195     |
| Unrestricted                                             | 72,264,692                 | 47,241,801                  | 119,506,493    |
| Total net position                                       | \$ 558,684,007             | \$ 363,280,913              | \$ 921,964,920 |

**City of Bentonville, Arkansas**  
**Statement of Activities**  
**For the year ended December 31, 2024**

|                                         | Program Revenues      |                         |                                          |                                        | Net (Expenses) Revenues and<br>Changes in Net Position |                             |                       |
|-----------------------------------------|-----------------------|-------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------|-----------------------|
|                                         | Expenses              | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                     |                             |                       |
| Government/Programs                     |                       |                         |                                          |                                        | Governmental<br>Activities                             | Business-type<br>Activities | Total                 |
| <b>Primary Government</b>               |                       |                         |                                          |                                        |                                                        |                             |                       |
| Governmental activities:                |                       |                         |                                          |                                        |                                                        |                             |                       |
| General government                      | \$ 20,628,670         | \$ 1,360,165            | \$ 4,601,405                             | \$ 3,034,038                           | \$ (11,633,062)                                        | \$ -                        | \$ (11,633,062)       |
| Public safety                           | 53,444,341            | 3,815,091               | 287,145                                  | 671,437                                | (48,670,668)                                           | -                           | (48,670,668)          |
| Recreation                              | 16,692,535            | 5,242,590               | 7,441,223                                | 12,901,634                             | 8,892,912                                              | -                           | 8,892,912             |
| Street department                       | 4,717,661             | 2,210,874               | -                                        | 15,919,226                             | 13,412,439                                             | -                           | 13,412,439            |
| Library                                 | 2,569,375             | 72,915                  | 15,140                                   | 4,554,082                              | 2,072,762                                              | -                           | 2,072,762             |
| CDBG                                    | 30,378                | -                       | 30,378                                   | -                                      | 0                                                      | -                           | 0                     |
| Interest expense on long-term debt      | 3,657,173             | -                       | -                                        | -                                      | (3,657,173)                                            | -                           | (3,657,173)           |
| Total governmental activities           | 101,740,133           | 12,701,635              | 12,375,291                               | 37,080,417                             | (39,582,790)                                           | -                           | (39,582,790)          |
| Business-Type Activities:               |                       |                         |                                          |                                        |                                                        |                             |                       |
| Electric                                | 77,315,647            | 85,081,195              | -                                        | 3,510,644                              | -                                                      | 11,276,192                  | 11,276,192            |
| Water                                   | 24,877,297            | 16,787,270              | 97,896                                   | 5,317,083                              | -                                                      | (2,675,048)                 | (2,675,048)           |
| Wastewater                              | 11,748,793            | 19,531,815              | 3,119                                    | -                                      | -                                                      | 7,786,141                   | 7,786,141             |
| Sanitation                              | 7,411,693             | 8,080,987               | -                                        | -                                      | -                                                      | 669,294                     | 669,294               |
| Support                                 | 5,880,824             | 1,201,621               | -                                        | -                                      | -                                                      | (4,679,203)                 | (4,679,203)           |
| Total business-type activities          | 127,234,254           | 130,682,888             | 101,015                                  | 8,827,727                              | -                                                      | 12,377,376                  | 12,377,376            |
| Total primary government                | <u>\$ 228,974,387</u> | <u>\$ 143,384,523</u>   | <u>\$ 12,476,306</u>                     | <u>\$ 45,908,144</u>                   | <u>(39,582,790)</u>                                    | <u>12,377,376</u>           | <u>(27,205,414)</u>   |
| <b>General Revenues:</b>                |                       |                         |                                          |                                        |                                                        |                             |                       |
| Property taxes                          |                       |                         |                                          |                                        | 13,801,494                                             | -                           | 13,801,494            |
| Sales taxes                             |                       |                         |                                          |                                        | 69,363,687                                             | -                           | 69,363,687            |
| State turnback                          |                       |                         |                                          |                                        | 6,750,189                                              | -                           | 6,750,189             |
| Impact fees                             |                       |                         |                                          |                                        | 2,461,928                                              | -                           | 2,461,928             |
| Franchise taxes                         |                       |                         |                                          |                                        | 6,499,636                                              | -                           | 6,499,636             |
| Investment income (loss)                |                       |                         |                                          |                                        | 9,752,145                                              | 1,913,835                   | 11,665,980            |
| Gain (loss) on sales of capital assets  |                       |                         |                                          |                                        | (1,109,559)                                            | 122,614                     | (986,945)             |
| Other                                   |                       |                         |                                          |                                        | 2,292,816                                              | 97,957                      | 2,390,773             |
| Transfers                               |                       |                         |                                          |                                        | (7,373,286)                                            | 7,373,286                   | -                     |
| Total general revenues and transfers    |                       |                         |                                          |                                        | 102,439,050                                            | 9,507,692                   | 111,946,742           |
| <b>Change in Net Position</b>           |                       |                         |                                          |                                        | 62,856,260                                             | 21,885,068                  | 84,741,328            |
| <b>Net Position - Beginning of Year</b> |                       |                         |                                          |                                        | 495,827,747                                            | 341,395,845                 | 837,223,592           |
| <b>Net Position - End of Year</b>       |                       |                         |                                          |                                        | <u>\$ 558,684,007</u>                                  | <u>\$ 363,280,913</u>       | <u>\$ 921,964,920</u> |

**City of Bentonville, Arkansas**  
**Balance Sheet - Governmental Funds**  
**December 31, 2024**

|                                                                          | General               | Street               | Capital Project      | Debt Service         | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------------------------------------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------------|--------------------------|
| <b>Assets</b>                                                            |                       |                      |                      |                      |                             |                          |
| Cash and cash equivalents                                                | \$ 109,663,323        | \$ 16,759,414        | \$ -                 | \$ 8,869,197         | \$ -                        | \$ 135,291,934           |
| Investments                                                              | 4,689,262             | -                    | -                    | -                    | -                           | 4,689,262                |
| Accounts receivable:                                                     |                       |                      |                      |                      |                             |                          |
| Property taxes, net of allowance for uncollectible accounts of \$720,278 | 11,104,165            | 3,377,494            | -                    | -                    | -                           | 14,481,659               |
| Grants and other                                                         | 8,511,885             | 2,822,706            | -                    | -                    | 5,725                       | 11,340,316               |
| Due from other funds                                                     | 1,347,994             | 9,760                | -                    | -                    | -                           | 1,357,754                |
| Prepaid and other                                                        | 1,067,787             | 794                  | -                    | -                    | -                           | 1,068,581                |
| Restricted assets                                                        |                       |                      |                      |                      |                             |                          |
| Cash and cash equivalents                                                | 1,224,327             | -                    | 47,600,191           | -                    | 9,763,058                   | 58,587,576               |
| Sales tax receivable                                                     | 4,076,366             | -                    | -                    | 1,755,876            | -                           | 5,832,242                |
| Total assets                                                             | <u>\$ 141,685,109</u> | <u>\$ 22,970,168</u> | <u>\$ 47,600,191</u> | <u>\$ 10,625,073</u> | <u>\$ 9,768,783</u>         | <u>\$ 232,649,324</u>    |
| <b>Liabilities</b>                                                       |                       |                      |                      |                      |                             |                          |
| Accounts payable                                                         | \$ 5,871,830          | \$ 3,121,820         | \$ 3,081,601         | \$ -                 | \$ 210,391                  | \$ 12,285,642            |
| Due to other funds                                                       | 512,918               | 333,953              | -                    | -                    | 516,406                     | 1,363,277                |
| Due to other governments                                                 | -                     | -                    | -                    | -                    | 167,730                     | 167,730                  |
| Accrued expenditures and other                                           | 2,552,946             | 105,704              | -                    | -                    | -                           | 2,658,650                |
| Unearned revenues                                                        | 10,033,392            | 4,880,810            | -                    | -                    | 191,744                     | 15,105,946               |
| Total liabilities                                                        | <u>18,971,086</u>     | <u>8,442,287</u>     | <u>3,081,601</u>     | <u>-</u>             | <u>1,086,271</u>            | <u>31,581,245</u>        |
| <b>Deferred Inflows of Resources</b>                                     |                       |                      |                      |                      |                             |                          |
| Unavailable revenues - property taxes                                    | 10,499,269            | 3,185,998            | -                    | -                    | -                           | 13,685,267               |
| <b>Fund balances</b>                                                     |                       |                      |                      |                      |                             |                          |
| Nonspendable                                                             |                       |                      |                      |                      |                             |                          |
| Prepaid expenditures                                                     | 1,067,787             | 794                  | -                    | -                    | -                           | 1,068,581                |
| Restricted                                                               |                       |                      |                      |                      |                             |                          |
| Debt service                                                             | -                     | -                    | -                    | 10,625,073           | -                           | 10,625,073               |
| General capital improvements                                             | 4,146,962             | -                    | 44,518,590           | -                    | -                           | 48,665,552               |
| Recreation                                                               | 5,574,173             | -                    | -                    | -                    | -                           | 5,574,173                |
| New growth                                                               | -                     | -                    | -                    | -                    | 8,548,623                   | 8,548,623                |
| Street improvements                                                      | -                     | 11,341,089           | -                    | -                    | -                           | 11,341,089               |
| Other                                                                    | 46,763                | -                    | -                    | -                    | -                           | 46,763                   |
| Assigned                                                                 | -                     | -                    | -                    | -                    | 133,889                     | 133,889                  |
| Unassigned                                                               | 101,379,069           | -                    | -                    | -                    | -                           | 101,379,069              |
| Total fund balances                                                      | <u>112,214,754</u>    | <u>11,341,883</u>    | <u>44,518,590</u>    | <u>10,625,073</u>    | <u>8,682,512</u>            | <u>187,382,812</u>       |
| Total liabilities, deferred inflows of resources and fund balances       | <u>\$ 141,685,109</u> | <u>\$ 22,970,168</u> | <u>\$ 47,600,191</u> | <u>\$ 10,625,073</u> | <u>\$ 9,768,783</u>         | <u>\$ 232,649,324</u>    |

|                                                 |                       |
|-------------------------------------------------|-----------------------|
| <b>Total fund balances – governmental funds</b> | <b>\$ 187,382,812</b> |
|-------------------------------------------------|-----------------------|

**Amounts reported for governmental activities in the statement of net position are different because:**

|                                                                                                               |             |
|---------------------------------------------------------------------------------------------------------------|-------------|
| Capital assets used in governmental activities are not financial resources and are not reported in the funds. | 494,378,334 |
|---------------------------------------------------------------------------------------------------------------|-------------|

|                                                                                                                            |           |
|----------------------------------------------------------------------------------------------------------------------------|-----------|
| Net pension assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | 2,873,979 |
|----------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                             |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Property tax revenues that do not provide current financial resources at the fund level on the modified accrual basis are reported as revenues on the full accrual basis in the government-wide statements. | 13,685,267 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                                                                                  |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Deferred inflows and outflows related to pensions and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds. | 14,502,881 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

Liabilities that are not due and payable in the current period and are not reported in the fund statements:

|                          |           |
|--------------------------|-----------|
| Accrued interest payable | (681,496) |
|--------------------------|-----------|

|                              |             |
|------------------------------|-------------|
| Accrued compensated absences | (4,354,500) |
|------------------------------|-------------|

|                         |              |
|-------------------------|--------------|
| Net pension liabilities | (49,723,586) |
|-------------------------|--------------|

|                                         |             |
|-----------------------------------------|-------------|
| Other postemployment benefits liability | (7,980,140) |
|-----------------------------------------|-------------|

|               |             |
|---------------|-------------|
| Notes payable | (2,676,350) |
|---------------|-------------|

|                                              |              |
|----------------------------------------------|--------------|
| Bonds payable, net of premiums and discounts | (85,591,584) |
|----------------------------------------------|--------------|

|                           |                    |
|---------------------------|--------------------|
| Other long-term liability | <u>(3,131,610)</u> |
|---------------------------|--------------------|

|                                                     |                              |
|-----------------------------------------------------|------------------------------|
| <b>Total net position – governmental activities</b> | <b><u>\$ 558,684,007</u></b> |
|-----------------------------------------------------|------------------------------|

**City of Bentonville, Arkansas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended December 31, 2024**

|                                                              | General               | Street               | Capital<br>Project   | Debt<br>Service      | Formerly<br>Major Fund<br>Federal Grant<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|-----------------------|----------------------|----------------------|----------------------|-------------------------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                              |                       |                      |                      |                      |                                                 |                                   |                                |
| Property tax                                                 | \$ 9,881,176          | \$ 3,077,073         | \$ -                 | \$ -                 | \$ -                                            | \$ -                              | \$ 12,958,249                  |
| Sales tax                                                    | 48,546,558            | -                    | -                    | 20,853,236           | -                                               | -                                 | 69,399,794                     |
| State turnback                                               | 2,275,449             | 4,474,740            | -                    | -                    | -                                               | -                                 | 6,750,189                      |
| Impact fees                                                  | -                     | -                    | -                    | -                    | -                                               | 2,461,928                         | 2,461,928                      |
| Franchise taxes                                              | 6,499,636             | -                    | -                    | -                    | -                                               | -                                 | 6,499,636                      |
| Charges for services                                         | 8,439,921             | 41,406               | -                    | -                    | -                                               | -                                 | 8,481,327                      |
| Fines and forfeitures                                        | 537,235               | -                    | -                    | -                    | -                                               | -                                 | 537,235                        |
| Licenses and permits                                         | 1,575,086             | 9,940                | -                    | -                    | -                                               | -                                 | 1,585,026                      |
| Grants                                                       | 26,178,486            | 7,910,916            | -                    | -                    | -                                               | 841,831                           | 34,931,233                     |
| Contributions                                                | 6,467,756             | 2,182,625            | -                    | -                    | -                                               | -                                 | 8,650,381                      |
| Interest income                                              | 3,833,855             | 587,627              | 3,786,496            | 536,333              | -                                               | 310,600                           | 9,054,911                      |
| Investment income                                            | 697,234               | -                    | -                    | -                    | -                                               | -                                 | 697,234                        |
| Miscellaneous                                                | 1,732,806             | 509,727              | -                    | 1,104                | -                                               | -                                 | 2,243,637                      |
| <b>Total revenues</b>                                        | <b>116,665,198</b>    | <b>18,794,054</b>    | <b>3,786,496</b>     | <b>21,390,673</b>    | <b>-</b>                                        | <b>3,614,359</b>                  | <b>164,250,780</b>             |
| <b>Expenditures</b>                                          |                       |                      |                      |                      |                                                 |                                   |                                |
| Current:                                                     |                       |                      |                      |                      |                                                 |                                   |                                |
| General government                                           | 17,322,482            | -                    | -                    | -                    | -                                               | 59,190                            | 17,381,672                     |
| Public safety                                                | 36,403,040            | -                    | -                    | -                    | -                                               | -                                 | 36,403,040                     |
| Recreation                                                   | 15,431,354            | -                    | -                    | -                    | -                                               | -                                 | 15,431,354                     |
| Street department                                            | -                     | 4,519,405            | -                    | -                    | -                                               | -                                 | 4,519,405                      |
| Library                                                      | 2,377,159             | -                    | -                    | -                    | -                                               | -                                 | 2,377,159                      |
| CDBG                                                         | 30,378                | -                    | -                    | -                    | -                                               | -                                 | 30,378                         |
| Capital outlay                                               | 36,870,777            | 12,492,643           | 55,519,549           | -                    | -                                               | 782,641                           | 105,665,610                    |
| Debt service                                                 |                       |                      |                      |                      |                                                 |                                   |                                |
| Principal                                                    | -                     | -                    | -                    | 18,540,000           | -                                               | -                                 | 18,540,000                     |
| Interest                                                     | -                     | -                    | -                    | 3,415,866            | -                                               | -                                 | 3,415,866                      |
| Bond issue costs                                             | 134,928               | 1,835                | -                    | 950                  | -                                               | -                                 | 137,713                        |
| <b>Total expenditures</b>                                    | <b>108,570,118</b>    | <b>17,013,883</b>    | <b>55,519,549</b>    | <b>21,956,816</b>    | <b>-</b>                                        | <b>841,831</b>                    | <b>203,902,197</b>             |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>8,095,080</b>      | <b>1,780,171</b>     | <b>(51,733,053)</b>  | <b>(566,143)</b>     | <b>-</b>                                        | <b>2,772,528</b>                  | <b>(39,651,417)</b>            |
| <b>Other Financing Sources (Uses)</b>                        |                       |                      |                      |                      |                                                 |                                   |                                |
| Sale of capital assets                                       | 16,568                | 5,250                | -                    | -                    | -                                               | -                                 | 21,818                         |
| Debt proceeds                                                | 2,676,350             | -                    | -                    | -                    | -                                               | -                                 | 2,676,350                      |
| Transfers in                                                 | 2,752,090             | -                    | -                    | -                    | -                                               | 13,562                            | 2,765,652                      |
| Transfers out                                                | (7,096,762)           | -                    | -                    | -                    | -                                               | (3,042,176)                       | (10,138,938)                   |
| <b>Total other financing sources<br/>(uses)</b>              | <b>(1,651,754)</b>    | <b>5,250</b>         | <b>-</b>             | <b>-</b>             | <b>-</b>                                        | <b>(3,028,614)</b>                | <b>(4,675,118)</b>             |
| <b>Change in Fund Balances</b>                               | <b>6,443,326</b>      | <b>1,785,421</b>     | <b>(51,733,053)</b>  | <b>(566,143)</b>     | <b>-</b>                                        | <b>(256,086)</b>                  | <b>(44,326,535)</b>            |
| <b>Fund Balances, Beginning of Year</b>                      | <b>105,771,428</b>    | <b>9,556,462</b>     | <b>96,251,643</b>    | <b>11,191,216</b>    | <b>113,406</b>                                  | <b>8,825,192</b>                  | <b>231,709,347</b>             |
| Change from major to nonmajor                                | -                     | -                    | -                    | -                    | (113,406)                                       | 113,406                           | -                              |
| <b>Fund Balances, Beginning of Year,<br/>Restated</b>        | <b>105,771,428</b>    | <b>9,556,462</b>     | <b>96,251,643</b>    | <b>11,191,216</b>    | <b>-</b>                                        | <b>8,938,598</b>                  | <b>231,709,347</b>             |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 112,214,754</b> | <b>\$ 11,341,883</b> | <b>\$ 44,518,590</b> | <b>\$ 10,625,073</b> | <b>\$ -</b>                                     | <b>\$ 8,682,512</b>               | <b>\$ 187,382,812</b>          |

See Notes to Financial Statements

|                                                              |                        |
|--------------------------------------------------------------|------------------------|
| <b>Net change in fund balance – total governmental funds</b> | <b>\$ (44,326,535)</b> |
|--------------------------------------------------------------|------------------------|

**Amounts reported for governmental activities in the statement of activities are different because:**

Governmental Funds do not report capital contributions and they report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|                         |              |
|-------------------------|--------------|
| Capital asset purchases | 105,665,610  |
| Capital contributions   | 7,985,213    |
| Capital asset disposals | (1,206,877)  |
| Depreciation expense    | (16,768,116) |

Bond and other debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities

|                                        |             |
|----------------------------------------|-------------|
| Principal paid on bonds                | 18,540,000  |
| Amortization of premiums and discounts | 263,863     |
| Issuance of notes payable              | (2,676,350) |

Property tax revenues reported in the statement of activities are not available soon after year end and therefore are not considered current financial resources and are not recognized in the fund financial statements in the current year. This is the change in the amount of deferred property tax revenues reported in the governmental fund statements.

843,245

Deferred inflows/outflows related to the net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These amounts are amortized into pension expense in future periods. This is the amount by which the deferred inflows/outflows changed during the current year.

(5,050,074)

Expenses for pensions and other post employment benefit liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund financial statements in the current year. This is the change in the amount of the net pension and other post employment benefit liabilities reported in the governmental fund statements.

5,281,782

Accrued expenses, such as compensated absences, interest, etc., reported in the statement of activities do not require the use of current financial resources, and, therefore, are not expenditures in the funds. This is the net change in accrued expenses.

(5,695,501)

|                                                          |                      |
|----------------------------------------------------------|----------------------|
| <b>Change in net position of governmental activities</b> | <b>\$ 62,856,260</b> |
|----------------------------------------------------------|----------------------|

# City of Bentonville, Arkansas

## Statement of Net Position -

### Proprietary Funds

December 31, 2024

|                                                                                                      | <b>Business-type<br/>Activity -<br/>Enterprise Fund</b> |
|------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Assets</b>                                                                                        |                                                         |
| <b>Current Assets:</b>                                                                               |                                                         |
| Cash and cash equivalents                                                                            | \$ 47,574,939                                           |
| Investments                                                                                          | 3,381,474                                               |
| Accounts receivable (customer accounts), net of allowance for<br>uncollectible accounts of \$400,000 | 16,540,379                                              |
| Due from other funds                                                                                 | 5,998                                                   |
| Restricted cash and cash equivalents                                                                 | 8,910                                                   |
| Inventories                                                                                          | 15,275,997                                              |
| Total current assets                                                                                 | 82,787,697                                              |
| <b>Noncurrent Assets</b>                                                                             |                                                         |
| Capital assets, net of accumulated depreciation of \$142,063,979                                     | 316,898,707                                             |
| Other assets                                                                                         | 121,730                                                 |
| Total noncurrent assets                                                                              | 317,020,437                                             |
| Total assets                                                                                         | 399,808,134                                             |
| <b>Deferred Outflows of Resources</b>                                                                |                                                         |
| Deferred outflows - pensions                                                                         | 2,142,067                                               |
| Deferred outflows - pension contributions                                                            | 938,608                                                 |
| Deferred outflows - OPEB                                                                             | 280,460                                                 |
| Total deferred outflows of resources                                                                 | 3,361,135                                               |

# City of Bentonville, Arkansas

## Statement of Net Position -

### Proprietary Funds

December 31, 2024

|                                                            | <b>Business-type<br/>Activity -<br/>Enterprise Fund</b> |
|------------------------------------------------------------|---------------------------------------------------------|
| <b>Liabilities</b>                                         |                                                         |
| <b>Current Liabilities:</b>                                |                                                         |
| Accounts payable                                           | \$ 9,436,656                                            |
| Accrued expenses and other                                 | 793,851                                                 |
| Accrued interest payable                                   | 42,530                                                  |
| Other post employment benefits liability - current portion | 38,565                                                  |
| Compensated absences                                       | 110,279                                                 |
| Due to other funds                                         | 475                                                     |
| Due to other governments                                   | 270,616                                                 |
| Bonds payable - current portion                            | 1,800,000                                               |
| Unearned revenue                                           | 3,203,187                                               |
| Total current liabilities                                  | 15,696,159                                              |
| <b>Noncurrent Liabilities</b>                              |                                                         |
| Customer deposits                                          | 1,595,490                                               |
| Compensated absences                                       | 1,782,471                                               |
| Other post employment benefits liability                   | 1,439,755                                               |
| Net pension liability                                      | 13,195,791                                              |
| Bonds payable, net of unamortized premium and discount     | 5,288,000                                               |
| Total noncurrent liabilities                               | 23,301,507                                              |
| Total liabilities                                          | 38,997,666                                              |
| <b>Deferred Inflows of Resources</b>                       |                                                         |
| Deferred inflows - OPEB                                    | 351,174                                                 |
| Deferred inflows - pensions                                | 539,516                                                 |
| Total deferred inflows of resources                        | 890,690                                                 |
| <b>Net Position</b>                                        |                                                         |
| Net investment in capital assets                           | 314,071,877                                             |
| Restricted                                                 |                                                         |
| Debt service                                               | 1,958,325                                               |
| Renewals and replacements                                  | 8,910                                                   |
| Unrestricted                                               | 47,241,801                                              |
| Total net position                                         | \$ 363,280,913                                          |

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**City of Bentonville, Arkansas**  
**Statement of Revenues, Expenses and Changes in**  
**Fund Net Position - Proprietary Funds**  
**Year Ended December 31, 2024**

|                                                          | <b>Business-type<br/>Activity -<br/>Enterprise<br/>Fund</b> |
|----------------------------------------------------------|-------------------------------------------------------------|
| <b>Operating Revenues</b>                                |                                                             |
| Charges for services                                     | \$ 129,775,142                                              |
| Other, net                                               | <u>140,265</u>                                              |
| Total operating revenues                                 | <u>129,915,407</u>                                          |
| <b>Operating Expenses</b>                                |                                                             |
| Salaries and fringe benefits                             | 18,964,294                                                  |
| Contract purchases                                       | 83,946,022                                                  |
| Maintenance                                              | 1,040,926                                                   |
| Depreciation and amortization                            | 10,100,025                                                  |
| Materials and supplies                                   | 1,804,940                                                   |
| Other services and charges                               | <u>10,909,022</u>                                           |
| Total operating expenses                                 | <u>126,765,229</u>                                          |
| <b>Operating Income</b>                                  | <u>3,150,178</u>                                            |
| <b>Nonoperating Income (Expenses)</b>                    |                                                             |
| Interest income                                          | 1,459,420                                                   |
| Investment income                                        | 454,415                                                     |
| Bond interest and fiscal agent charges                   | (266,501)                                                   |
| Gain on sale of capital assets                           | 122,614                                                     |
| Grants                                                   | <u>763,929</u>                                              |
| Net non-operating revenues (expenses)                    | <u>2,533,877</u>                                            |
| <b>Income Before Capital Contributions and Transfers</b> | 5,684,055                                                   |
| <b>Capital Contributions and Transfers</b>               |                                                             |
| Capital contributions                                    | 6,081,007                                                   |
| Developer funded infrastructure revenue                  | 2,746,720                                                   |
| Transfers in                                             | <u>7,373,286</u>                                            |
| <b>Change in Net Position</b>                            | 21,885,068                                                  |
| <b>Net Position - Beginning of Year</b>                  | <u>341,395,845</u>                                          |
| <b>Net Position, End of Year</b>                         | <u><u>\$ 363,280,913</u></u>                                |

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

|                                                           | <b>Business-type<br/>Activity –<br/>Enterprise Fund</b> |
|-----------------------------------------------------------|---------------------------------------------------------|
| <b>Operating Activities</b>                               |                                                         |
| Receipts from customers                                   | \$ 129,788,315                                          |
| Payments to suppliers                                     | (89,611,135)                                            |
| Payments to employees                                     | (16,038,202)                                            |
| Other payments                                            | (10,357,260)                                            |
|                                                           | <hr/>                                                   |
| Net cash provided by operating activities                 | 13,781,718                                              |
|                                                           | <hr/>                                                   |
| <b>Noncapital Financing Activities</b>                    |                                                         |
| Noncapital grants                                         | 3,901,752                                               |
|                                                           | <hr/>                                                   |
| Net cash provided by noncapital financing activities      | 3,901,752                                               |
|                                                           | <hr/>                                                   |
| <b>Capital and Related Financing Activities</b>           |                                                         |
| Purchase and construction of capital assets               | (25,880,556)                                            |
| Proceeds from sale of capital assets                      | 122,614                                                 |
| Principal paid on revenue bonds                           | (1,760,000)                                             |
| Interest and agent fees paid of revenue bonds             | (266,500)                                               |
| Developer funded infrastructure receipts                  | 2,746,720                                               |
| Proceeds from issuance of revenue bonds                   | 63,000                                                  |
| Transfers for capital purposes                            | 7,373,286                                               |
|                                                           | <hr/>                                                   |
| Net cash used in capital and related financing activities | (17,601,436)                                            |
|                                                           | <hr/>                                                   |
| <b>Investing Activities</b>                               |                                                         |
| Maturity of investments                                   | 7,096,828                                               |
| Purchases of investments                                  | (454,415)                                               |
| Interest income                                           | 1,913,835                                               |
|                                                           | <hr/>                                                   |
| Net cash provided by investing activities                 | 8,556,248                                               |
|                                                           | <hr/>                                                   |
| <b>Increase in Cash and Cash Equivalents</b>              | 8,638,282                                               |
|                                                           | <hr/>                                                   |
| <b>Cash and Cash Equivalents, Beginning of Year</b>       | 38,945,567                                              |
|                                                           | <hr/>                                                   |
| <b>Cash and Cash Equivalents, End of Year</b>             | \$ 47,583,849                                           |
|                                                           | <hr/> <hr/>                                             |

|                                                                                                                                                | <b>Business-type<br/>Activity –<br/>Enterprise Fund</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Cash and Cash Equivalents of Proprietary Funds, as presented on the<br/>"Statement of Net Position – Proprietary Funds," is as follows:</b> |                                                         |
| Cash and cash equivalents                                                                                                                      | \$ 47,574,939                                           |
| Restricted cash and cash equivalents – current                                                                                                 | <u>8,910</u>                                            |
|                                                                                                                                                | <u><u>\$ 47,583,849</u></u>                             |
| <b>Reconciliation of Operating Income to<br/>Net Cash Provided by Operating Activities</b>                                                     |                                                         |
| Operating income                                                                                                                               | \$ 3,150,178                                            |
| Adjustment to reconcile operating income to net cash<br>provided by operating activities:                                                      |                                                         |
| Depreciation and amortization expense                                                                                                          | 10,100,025                                              |
| Changes in assets and liabilities                                                                                                              |                                                         |
| Receivables, net                                                                                                                               | 13,173                                                  |
| Due from other funds                                                                                                                           | 22,151                                                  |
| Inventories                                                                                                                                    | (3,408,696)                                             |
| Other assets                                                                                                                                   | (9,885)                                                 |
| Deferred outflows related to pensions                                                                                                          | 1,611,041                                               |
| Deferred outflows related to OPEB                                                                                                              | 52,763                                                  |
| Accounts payable                                                                                                                               | 589,449                                                 |
| Accrued expenses                                                                                                                               | 1,280,955                                               |
| Due to other governments                                                                                                                       | 270,616                                                 |
| Other liabilities                                                                                                                              | 128,615                                                 |
| OPEB liability                                                                                                                                 | 80,731                                                  |
| Net Pension liability                                                                                                                          | (565,895)                                               |
| Deferred inflows related to OPEB                                                                                                               | 2,582                                                   |
| Deferred inflows related to pension                                                                                                            | <u>463,915</u>                                          |
| Net cash provided by operating activities                                                                                                      | <u><u>\$ 13,781,718</u></u>                             |
| <b>Noncash Investing, Capital and Financing Activities</b>                                                                                     |                                                         |
| Net change in fair value of investments                                                                                                        | \$ 454,415                                              |
| Capital assets in accounts payable                                                                                                             | \$ 708,830                                              |
| Capital assets acquired through contributions                                                                                                  | \$ 6,081,007                                            |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

The City of Bentonville, Arkansas (the City), is a municipal corporation operating under the authority of Arkansas state statute. The City operates under an elected mayor-council form of government. Eight elected council members and the Mayor set policy of the City. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City:

#### ***Reporting Entity***

The accompanying government-wide financial statements present the financial statements of the City of Bentonville, Arkansas.

The City's primary government consists of those funds or organizations that make up the legal entity for which it is financially responsible.

#### ***Jointly Governed Venture***

The City is a participant with nine Northwest Arkansas cities in a jointly governed venture to operate Northwest Arkansas Conservation Authority (NACA), an organization whose purpose is to develop and implement cost-effective regional solutions to the challenges of providing environmentally sound wastewater and biosolids infrastructure and watershed management. NACA is governed by a Board of Directors consisting of 13 members appointed by the member cities. In order for NACA to secure financing of its wastewater treatment facility, the City entered into a service agreement with NACA in January 2006 committing the City to procuring NACA's services for 15 years or until the revenue bonds issued by NACA are retired. As of December 31, 2024, NACA has revenue bonds outstanding of \$135,216,387 with a final maturity date in October 2055. Service charges to the City are determined by rates based upon the actual costs incurred by NACA, including a proportional share of its overhead expenses attributable to the facility and debt service. During 2024, the City was NACA's primary customer and paid service charges to NACA in the amount of \$6,006,731, of which \$538,697 is payable at year-end. As of December 31, 2024, NACA reported an increase in Net Position of \$1,844,858. Complete financial statements for NACA can be obtained from NACA's administrative office at 11579 Snavelly Road, Bentonville, Arkansas 72712.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### ***Related Organization***

The City's Mayor and Council are also responsible for appointing members of the board of the Advertising and Promotions Commission, but the accountability for this organization does not extend beyond making the appointments. The financial operations of this related organization have not been included in the City's basic financial statements.

### ***Government-wide and Fund Financial Statements***

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements as follows:

#### **Government-wide Financial Statements**

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

#### **Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each governmental and proprietary fund are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All other governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the *general fund*, *street fund*, *capital project fund* and *debt service fund* as its major governmental funds. The general fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income. The street fund accounts for gasoline and road taxes received from the state and county levies. Revenues are expended for maintenance and repair of streets and sidewalks.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

The capital project fund accounts for the resources accumulated from the Series 2021A, 2021B and 2023 sales and use tax bonds of the City that are restricted for use in financing the costs of various capital improvement projects. The debt service fund accounts for financial resources that are restricted for principal and interest-related costs as well as the financial resources being accumulated for future debt service.

The City reports one major *enterprise fund*. It accounts for the City's combined electric, water, sewer and sanitation system, whose operations are financed primarily through user charges.

### ***Measurement Focus and Basis of Accounting***

#### **Government-wide and Proprietary Funds**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

In proprietary funds, operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the fund. All revenues and expenses not meeting this definition are reported as nonoperating items.

Nonexchange transactions, in which the City receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes; city and county sales tax; grants, entitlements and similar items; and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period in which the taxes are levied. City and county sales taxes, franchise taxes, licenses and permits and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Grants, entitlements, and donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as unearned revenues. Grants and similar aid to other organizations are recognized as expenses as soon as recipients have met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and deferred outflows of resources and liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of general long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The City considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds and investment earnings. Other revenues are considered to be measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences and obligations for worker's compensation and other post-employment benefits which are recognized as expenditures when payment is due. Pension expenditures are recognized when amounts are due to a plan.

### ***Use of Estimates***

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

### ***Cash and Cash Equivalents***

The City considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2024, cash equivalents consisted primarily of money market accounts with brokers.

### ***Investments and Investment Income***

Generally, investments are stated at fair value or amortized cost and are held by the City in various forms as allowed by the laws of the State of Arkansas. The City records all investment income to funds with which the related investment asset is associated. Investment income includes interest income, dividend income, other investment income, realized and unrealized gains and losses on investments carried at fair value, investments carried at other than fair value, and other investment income. Investment income is included in unrestricted net position and is reflected as nonoperating revenue in the statement of revenues, expenses and changes in net position in Proprietary Funds.

# **City of Bentonville, Arkansas**

## **Notes to Financial Statements**

**December 31, 2024**

### ***Property Taxes***

Property taxes are levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. The property tax is considered due the first Monday in January (the lien date) after the levy; however, the tax is not considered delinquent until October 16 of that year. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period. Property taxes are measurable when levied even though not available. Accordingly, property taxes receivable of approximately \$14.5 million and related deferred inflows of resources of approximately \$13.7 million have been recorded at December 31, 2024, in the governmental funds. Benton County is the collecting agent and remits collections to the City, net of a collection fee, on a monthly basis.

The appraised value of taxable property upon which the property tax is levied is determined by the county assessor. The assessor estimates full market value of the property and applies a statutory rate of 20 percent to arrive at assessed value.

### ***Unbilled Revenue***

The City bills customers for electric, water and sewer services after usage based upon meter readings made during the month. The City records a receivable for unbilled revenue at December 31 for estimated usage for which bills have not been sent.

### ***Inventories***

Inventories are valued at cost using the first in/first out (FIFO) method and consist of expendable supplies. The costs of governmental fund type inventories are recorded as expenditures when consumed.

### ***Prepaid Items***

Prepaid items in governmental funds are accounted for under the consumption method.

### ***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements and the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Capital assets are defined as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year. Exceptions are for infrastructure assets which are defined as having a constructed cost greater than \$50,000.

# City of Bentonville, Arkansas

## Notes to Financial Statements

### December 31, 2024

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

|                                                           | <u>Years</u> |
|-----------------------------------------------------------|--------------|
| Water distribution facilities                             | 50           |
| Sewer and solid waste collection and treatment facilities | 15–50        |
| Electric distribution facilities                          | 15–40        |
| Street/Transportation Infrastructure                      | 40           |
| Building and improvements                                 | 40           |
| Furniture and equipment                                   | 7–15         |
| Vehicles                                                  | 5            |

Depreciation expense is charged directly to the department/function based on the department that utilizes the related asset.

#### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has various items that qualify for reporting in this category. Five items are related to pensions, including the amount of contributions made to the pension plans after the measurement date, the difference in expected versus actual plan experience, the difference between projected and actual earnings on pension plan investments and differences due to change in assumptions and proportions. Deferred outflows related to contributions made after the measurement date will be used in the next year to reduce net pension liability or increase net pension asset. The remaining amounts will be amortized to pension expense over future periods as shown within *Note 7*. The other items relate to other postemployment benefits (OPEB) and are comprised of the difference between the expected and actual experience and the change in assumptions. These amounts will be amortized to OPEB expense over future periods as shown in *Note 8*.

In addition to liabilities, the statement of net position and balance sheet - governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify as deferred inflows of resources as of December 31, 2024. The items reported in the statements are unavailable revenues in the governmental funds balance sheet and deferred inflows – pensions and deferred inflows – OPEB in the government-wide statement of net position and proprietary funds statement of net position. Unavailable revenue arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, this item is only reported in the governmental funds balance sheet. Governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, deferred inflows – pensions, consists of the expected and actual experience related to the pension plans, and changes in proportion and assumptions. Deferred inflows – pensions are amortized to pension expense over future periods as shown within *Note 7*.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

The third item, deferred inflows – OPEB consists of the difference between expected and actual experience and change in the assumption. Deferred inflows – OPEB are amortized to OPEB expense over future periods as shown in *Note 8*.

### ***Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities and business-type activities. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. Debt premiums are generally deferred and amortized using the effective interest rate method. Long-term debt is reported net of the bond issue premiums. In the government wide statements, debt issuance costs are reported as expenditures in the period incurred.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of the debt issued and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received are reported as debt service expenditures.

### ***Compensated Absences***

The City grants vacation to all full-time employees based on continuous service. The cost of vacation (and sick pay for certain employee classifications) is accrued when it is more likely than not to be used or settled through cash payments in the government-wide and proprietary fund financial statements and reported as accrued expenses. No liability is recorded in the fund financial statements of governmental funds unless they have matured, as payment of this liability will not be made with expendable available financial resources unless an employee has terminated employment as of the end of the fiscal year. The City's policy is that leave earned in the current year will be used prior to leave earned in previous periods.

### ***Unearned Revenue***

In the governmental and proprietary funds, unearned revenue represents a liability for resources obtained prior to revenue recognition. The City had approximately \$2.5 million in unearned developer funded infrastructure projects at year-end and approximately \$20.8 million in unearned local grants for park, street and public safety projects.

### ***Pensions***

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

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### ***Postemployment Benefits Other Than Pensions (OPEB)***

For the purpose of measuring the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and expense associated with the City's OPEB Plan, information has been determined on the same basis as they are reported by the OPEB Plan. For this purpose, The City recognizes benefit payments when due and payable with the benefit terms.

### ***Fund Balance – Governmental Funds***

The fund balances for the City's governmental funds are displayed in four components:

*Nonspendable* – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

*Restricted* – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Committed fund balances are constrained to a specific purpose by the City itself, using the highest level of decision making authority. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

*Assigned* – Assigned fund balances are constrained by intent to use for a specific purpose, but are neither restricted nor committed. Assignments are made by City management based on Council direction.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in either of those unrestricted fund balance classifications could be used.

### ***Net Position***

Net position of the City is classified in three components. Net investment in capital assets, consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets and adding back unspent bond proceeds. Restricted net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation, reduced by the outstanding balances of any related borrowings.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

Unrestricted net position is the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first.

### ***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, street, federal grant and debt service funds. All annual appropriations lapse at year end and are re-established in the succeeding year.

### ***Changes in Accounting Principle***

The City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, for the year ended December 31, 2024. This Statement enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for decision-making and accountability assessment. In 2024, the Federal Grant Fund was determined to no longer be a major fund. As a result of the change within the reporting entity, beginning fund balance was restated as shown below:

|                                           | <b>Reporting Units Affected by<br/>Restatements of Beginning Balance</b> |                                            |
|-------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------|
|                                           | <b>Formerly Major<br/>Federal Grant<br/>Fund</b>                         | <b>Nonmajor<br/>Governmental<br/>Funds</b> |
| <b>12/31/2023, as previously reported</b> | \$ 113,406                                                               | \$ 8,825,192                               |
| Change within the reporting entity        | (113,406)                                                                | 113,406                                    |
| <b>12/31/2023, as restated</b>            | <u>\$ -</u>                                                              | <u>\$ 8,938,598</u>                        |

The City adopted GASB Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. The new Accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements.

The City adopted this standard on January 1, 2024 and applied it retrospectively to the earliest period presented. There was no effect on the beginning net position as of January 1, 2024.

### ***New Governmental Accounting Standards Board (GASB) Pronouncement***

The GASB has issued the following statements which the City has not yet adopted, and which require adoption subsequent to December 31, 2024:

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

GASB Statement No. 102 – *Certain Risk Disclosures*: The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 103 – *Financial Reporting Model Improvements*: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*: The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

The effect of these statements on the City has not been determined, but is not expected to have a significant impact on the City's overall net position.

## Note 2: Deposits and Investments

### ***Deposits***

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires that deposits in financial institutions be collateralized with federal depository insurance and other acceptable collateral in specific amounts. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

At December 31, 2024, the City had bank balances of \$90,190,292 that were all insured (FDIC) or collateralized with securities held by the City or the City's agent in the City's name. The carrying value of these deposits as of December 31, 2024, was \$87,109,822.

### ***Investments***

Arkansas statutes authorize the City to invest in direct obligations of the U.S. government; obligations on which the principal and interest are fully guaranteed, or are fully secured, insured, or covered by commitments or agreements to purchase by the U.S. government; obligations of agencies and instrumentalities created by act of the United States Congress and authorized thereby to issue securities or evidence of indebtedness, regardless of guarantee of repayment by the U.S. government; obligations of political subdivisions of the United States; certain obligations issued by

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

the Arkansas State Board of Education; short-term warrants of political subdivisions of the State of Arkansas and municipalities; the sale of federal funds with a maturity of not more than one business day; demand, savings or time deposits fully insured by a federal deposit insurance agency; repurchase agreements that are fully insured by obligations of the U.S. government, any U.S. state or any political subdivision thereof; securities of, or other interest in, any open-end type investment company or investment trust registered under the *Investment Company Act of 1940*, and which is considered a money market fund, provided that the portfolio is limited principally to U.S. government obligations and the investment company or trust takes delivery of collateral either directly or through an authorized custodian; and bank certificates of deposit. Arkansas statutes also authorize the City to invest no more than 20 percent of its capital base in corporate debt obligations; revenue bond issues of any U.S. state, municipality, or political subdivision; industrial development bonds for corporate obligors issued through any U.S. state or political subdivision; securities or interest in an open-end or closed-end management type investment company or trust registered under the *Investment Company Act of 1940* with certain limitations; securities or interests issued, assumed, or guaranteed by certain international banks; and uninsured demand, savings, or time deposits or accounts of any depository institution chartered by the United States, any U.S. state, or the District of Columbia.

Investments consisted of the following at December 31, 2024:

| Type                          | Fair Value            | Maturities in Years   |             |             |              |
|-------------------------------|-----------------------|-----------------------|-------------|-------------|--------------|
|                               |                       | Less than 1           | 1–5         | 6–10        | More than 10 |
| Money Market Mutual Funds (1) | \$ 97,537,413         | \$ 97,537,413         | \$ -        | \$ -        | \$ -         |
| U.S. Treasury Bonds           | 8,070,736             | 8,070,736             | -           | -           | -            |
|                               | <u>\$ 105,608,149</u> | <u>\$ 105,608,149</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>  |

(1) Reported as cash equivalent for financial statement purposes

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy consists of three input levels. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs other than quoted prices and Level 3 inputs are unobservable inputs. The City's investments all fall in Level 1.

Interest Rate Risk – The City's investment policy does not specifically address interest rate risk.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not specifically address credit risk.

| Investment Type           | Rating Agency | Rating  |
|---------------------------|---------------|---------|
| Money Market Mutual Funds | S&P/Moody's   | AAA/Aaa |
| U.S. Treasury Obligations | S&P/Moody's   | AA+/Aaa |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. While the City’s investment policy does not directly address custodial credit risk, all investments held by the City or by an agent of the City in the City’s name are insured or collateralized or limited to U.S. Treasury Obligations or Treasury Fund Money Markets.

**Concentration of Credit Risk** – The City places no limit on the amount that may be invested in any one issuer.

### ***Summary of Carrying Values***

The carrying values of deposits and investments shown above are included in the financial statements as follows:

**Carrying value**

|                  |                       |
|------------------|-----------------------|
| Deposits         | \$ 87,109,822         |
| Cash equivalents | 56,806,335            |
| Cash on hand     | 9,789                 |
| Investments      | <u>105,608,149</u>    |
|                  | <u>\$ 249,534,095</u> |

**Included in the following statement of net position captions**

|                                                   |                       |
|---------------------------------------------------|-----------------------|
| Cash and cash equivalents                         | \$ 221,666,738        |
| Investments                                       | 8,070,736             |
| Restricted cash and cash equivalents - current    | 19,064,097            |
| Restricted cash and cash equivalents - noncurrent | <u>732,524</u>        |
|                                                   | <u>\$ 249,534,095</u> |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Note 3: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2024, is presented below:

| <b>Governmental Activities</b>        | <b>Balance,<br/>December 31,<br/>2023</b> | <b>Additions<br/>and Transfers,<br/>Net</b> | <b>Retirements<br/>and Transfers,<br/>Net</b> | <b>Balance,<br/>December 31,<br/>2024</b> |
|---------------------------------------|-------------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------|
| Capital assets, non-depreciable       |                                           |                                             |                                               |                                           |
| Land                                  | \$ 11,351,278                             | \$ 159,718                                  | \$ -                                          | \$ 11,510,996                             |
| Construction in progress              | 85,762,534                                | 75,656,817                                  | 19,078,373                                    | 142,340,978                               |
| Total capital assets, non-depreciable | 97,113,812                                | 75,816,535                                  | 19,078,373                                    | 153,851,974                               |
| Capital assets, depreciable           |                                           |                                             |                                               |                                           |
| Other improvements                    | 113,718,173                               | 13,396,600                                  | 40,762,617                                    | 86,352,156                                |
| Streets                               | 214,182,729                               | 67,397,976                                  | 1,253,915                                     | 280,326,790                               |
| Buildings                             | 85,290,605                                | 8,694,427                                   | 17,938                                        | 93,967,094                                |
| Furniture, fixtures & equipment       | 58,604,737                                | 8,512,880                                   | 1,234,325                                     | 65,883,292                                |
| Total capital assets, depreciable     | 471,796,244                               | 98,001,883                                  | 43,268,795                                    | 526,529,332                               |
| Less accumulated depreciation         |                                           |                                             |                                               |                                           |
| Other improvements                    | 45,586,837                                | 2,335,169                                   | -                                             | 47,922,006                                |
| Streets                               | 67,978,495                                | 6,953,297                                   | 485,640                                       | 74,446,152                                |
| Buildings                             | 18,212,768                                | 2,303,976                                   | -                                             | 20,516,744                                |
| Furniture, fixtures & equipment       | 38,429,452                                | 5,175,674                                   | 487,056                                       | 43,118,070                                |
| Total accumulated depreciation        | 170,207,552                               | 16,768,116                                  | 972,696                                       | 186,002,972                               |
| Total governmental activities, net    | \$ 398,702,504                            | \$ 157,050,302                              | \$ 61,374,472                                 | \$ 494,378,334                            |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

| <b>Business-type Activities</b>                              | <b>Balance<br/>December 31,<br/>2023</b> | <b>Additions<br/>and Transfers,<br/>Net</b> | <b>Retirements<br/>and Transfers,<br/>Net</b> | <b>Balance<br/>December 31,<br/>2024</b> |
|--------------------------------------------------------------|------------------------------------------|---------------------------------------------|-----------------------------------------------|------------------------------------------|
| Capital Assets, non-depreciable                              |                                          |                                             |                                               |                                          |
| Land                                                         | \$ 8,281,594                             | \$ -                                        | \$ -                                          | \$ 8,281,594                             |
| Construction in progress                                     | 12,099,176                               | 12,826,949                                  | 7,800,939                                     | 17,125,186                               |
| Total capital assets, non-depreciable                        | 20,380,770                               | 12,826,949                                  | 7,800,939                                     | 25,406,780                               |
| Capital Assets, depreciable                                  |                                          |                                             |                                               |                                          |
| Other improvements                                           | 58,834,512                               | 319,899                                     | 146,452                                       | 59,007,959                               |
| Water distribution facilities                                | 82,372,251                               | 3,484,023                                   | (99,773)                                      | 85,956,047                               |
| Sewer and solid waste collection and<br>treatment facilities | 95,137,800                               | 2,176,199                                   | 182,234                                       | 97,131,765                               |
| Electric distribution facilities                             | 114,348,114                              | 17,330,665                                  | (140,180)                                     | 131,818,959                              |
| Buildings                                                    | 26,355,912                               | 763,789                                     | 16,582                                        | 27,103,119                               |
| Furniture and equipment                                      | 26,571,252                               | 919,154                                     | 27,280                                        | 27,463,126                               |
| Vehicles                                                     | 4,655,467                                | 734,157                                     | 314,693                                       | 5,074,931                                |
| Total capital assets, depreciable                            | 408,275,308                              | 25,727,886                                  | 447,288                                       | 433,555,906                              |
| Less accumulated depreciation                                |                                          |                                             |                                               |                                          |
| Other improvements                                           | 833,611                                  | 438                                         | (2,978,193)                                   | 3,812,242                                |
| Water distribution facilities                                | 32,425,296                               | 1,798,697                                   | 1,441,788                                     | 32,782,205                               |
| Sewer and solid waste collection and<br>treatment facilities | 38,062,683                               | 2,322,003                                   | 277,455                                       | 40,107,231                               |
| Electric distribution facilities                             | 39,566,019                               | 5,210,380                                   | 5,074,263                                     | 39,702,136                               |
| Buildings                                                    | 4,083,865                                | 125,468                                     | (1,000,361)                                   | 5,209,694                                |
| Furniture and equipment                                      | 15,867,156                               | 503,091                                     | (287,040)                                     | 16,657,287                               |
| Vehicles                                                     | 3,489,109                                | 139,948                                     | (164,127)                                     | 3,793,184                                |
| Total accumulated depreciation                               | 134,327,739                              | 10,100,025                                  | 2,363,785                                     | 142,063,979                              |
| Total business-type activities, net                          | \$ 294,328,339                           | \$ 28,454,810                               | \$ 5,884,442                                  | \$ 316,898,707                           |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

Depreciation expense was charged to functions/programs of the primary government as follows:

|                                                |                             |
|------------------------------------------------|-----------------------------|
| Governmental activities                        |                             |
| General government                             | \$ 1,565,317                |
| Public safety                                  | 4,298,725                   |
| Recreation                                     | 1,934,895                   |
| Street department                              | 8,479,529                   |
| Library                                        | <u>489,650</u>              |
| Total depreciation expense                     | <u>16,768,116</u>           |
| Business-type                                  |                             |
| Electric                                       | 5,210,380                   |
| Water                                          | 1,798,697                   |
| Wastewater                                     | 2,322,003                   |
| Support                                        | <u>768,945</u>              |
| Total depreciation expense                     | <u>10,100,025</u>           |
| Total depreciation expense, primary government | <u><u>\$ 26,868,141</u></u> |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Construction Projects

At December 31, 2024, the City had the following commitments with respect to unfinished capital projects.

#### Governmental Activities Construction Projects

|                                                  | Project<br>Authorization | Expended<br>Through<br>December 31,<br>2024 | Remaining<br>Commitment |
|--------------------------------------------------|--------------------------|---------------------------------------------|-------------------------|
| 8th Street                                       | \$ 28,193,022            | \$ 26,647,936                               | \$ 1,545,086            |
| 8th Street Gateway Park                          | 41,340,871               | 4,381,821                                   | 36,959,050              |
| A Street Promenade                               | 15,996,320               | 7,279,175                                   | 8,717,145               |
| Airport Westside Development                     | 1,462,887                | 1,098,632                                   | 364,255                 |
| Adult Recreation Center                          | 23,302,254               | 3,917,880                                   | 19,384,374              |
| BHS Trail – C Street                             | 2,359,039                | 728,250                                     | 1,630,789               |
| Bright Road Sidepath                             | 1,092,039                | 417,697                                     | 674,342                 |
| East Battlefield Street Improvements             | 1,787,256                | 1,412,374                                   | 374,882                 |
| City Fiber Network                               | 4,176,871                | 3,447,460                                   | 729,411                 |
| Fire Station 3 Remodel                           | 1,285,329                | 1,273,968                                   | 11,361                  |
| Greenhouse Road                                  | 1,335,139                | 1,246,119                                   | 89,020                  |
| Hwy 12 & SW Regional Airport                     | 578,629                  | 215,138                                     | 363,491                 |
| Lake Bella Vista Improvements                    | 2,284,622                | 1,809,708                                   | 474,914                 |
| Library Expansion                                | 16,147,579               | 14,266,010                                  | 1,881,569               |
| Little Osage Trib 2                              | 3,436,965                | 3,306,467                                   | 130,498                 |
| McKissic Creek Trail                             | 1,354,039                | 769,537                                     | 584,502                 |
| NW 9th & D Drainage                              | 7,197,923                | 6,992,745                                   | 205,178                 |
| Parks Maintenance Facility                       | 335,000                  | 224,630                                     | 110,370                 |
| Phillips Park                                    | 17,945,587               | 16,186,132                                  | 1,759,455               |
| Police & Fire Radio Upgrade                      | 7,252,024                | 6,786,985                                   | 465,039                 |
| Quilt of Parks                                   | 2,506,071                | 2,259,438                                   | 246,633                 |
| Sidewalk Projects                                | 656,148                  | 300,001                                     | 356,147                 |
| Southwest Bentonville Trail                      | 1,924,802                | 1,406,839                                   | 517,963                 |
| Spring Creek – Vaughn Gravity Sewer to NACA Line | 117,500                  | 55,406                                      | 62,094                  |
| Street Department Expansion                      | 1,521,500                | 1,211,908                                   | 309,592                 |
| SW 10th Street & F Drainage                      | 7,377,453                | 4,092,027                                   | 3,285,426               |
| SW 28th Street                                   | 11,342,902               | 6,070,005                                   | 5,272,897               |
| Walton Intersection Improvements                 | 11,012,309               | 4,307,783                                   | 6,704,526               |
| Water Tower Road                                 | 11,197,658               | 8,862,092                                   | 2,335,566               |
| Total                                            | <u>\$ 226,519,738</u>    | <u>\$ 130,974,163</u>                       | <u>\$ 95,545,575</u>    |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Business-type Activities Construction Projects

|                                                   | <b>Project<br/>Authorization</b> | <b>Expended<br/>Through<br/>December 31,<br/>2024</b> | <b>Remaining<br/>Commitment</b> |
|---------------------------------------------------|----------------------------------|-------------------------------------------------------|---------------------------------|
| Electric AMI System                               | \$ 5,661,101                     | \$ 4,945,081                                          | \$ 716,020                      |
| Electric – SE 14th & J Street Overhead Relocation | 4,048,408                        | 3,675,763                                             | 372,645                         |
| Sewer Collection System Improvements              | 1,533,770                        | 1,396,212                                             | 137,558                         |
| Water – Hwy 102 Widening Utilities                | 828,570                          | 109,474                                               | 719,096                         |
| Water – 48" Transmission Main Extension           | 1,145,670                        | 518,741                                               | 626,929                         |
| Water – Hwy 112 Widening Utilities                | 24,658,023                       | 617,558                                               | 24,040,465                      |
| Wastewater Plant Expansion                        | 104,696,799                      | 5,862,357                                             | 98,834,442                      |
| Total                                             | <u>\$ 142,572,341</u>            | <u>\$ 17,125,186</u>                                  | <u>\$ 125,447,155</u>           |

**City of Bentonville, Arkansas**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note 4: Long-term Liabilities**

Changes in long-term liabilities were as follows for the year ended December 31, 2024:

| <b>Governmental Activities</b>                         | <b>Balance<br/>December 31,<br/>2023</b> | <b>Increases</b>    | <b>Decreases</b>     | <b>Balance<br/>December 31,<br/>2024</b> | <b>Amounts Due<br/>in One Year</b> |
|--------------------------------------------------------|------------------------------------------|---------------------|----------------------|------------------------------------------|------------------------------------|
| Bonds payable                                          |                                          |                     |                      |                                          |                                    |
| Revenue bonds                                          | \$ 98,505,000                            | \$ -                | \$ 18,540,000        | \$ 79,965,000                            | \$ 3,850,000                       |
| Add unamortized premium                                | 5,890,447                                | -                   | 263,863              | 5,626,584                                | -                                  |
| Notes payable                                          | -                                        | 2,676,350           | -                    | 2,676,350                                | -                                  |
| Bonds and Notes payable, net                           | 104,395,447                              | 2,676,350           | 18,803,863           | 88,267,934                               | 3,850,000                          |
| Compensated absences*                                  | 2,294,829                                | 2,059,671           | -                    | 4,354,500                                | 411,589                            |
| Net pension liability                                  | 54,608,074                               | -                   | 4,884,488            | 49,723,586                               | -                                  |
| Other postemployment benefits                          | 7,647,503                                | 332,637             | -                    | 7,980,140                                | 158,921                            |
| Other long-term liability                              | -                                        | 3,131,610           | -                    | 3,131,610                                | -                                  |
| Total governmental activities<br>long-term liabilities | <u>\$ 168,945,853</u>                    | <u>\$ 8,200,268</u> | <u>\$ 23,688,351</u> | <u>\$ 153,457,770</u>                    | <u>\$ 4,420,510</u>                |

\* Compensated absences increases and decreases are shown net.

| <b>Business-type Activities</b>                         | <b>Balance<br/>December 31,<br/>2023</b> | <b>Increases</b>    | <b>Decreases</b>    | <b>Balance<br/>December 31,<br/>2024</b> | <b>Amounts Due<br/>in One Year</b> |
|---------------------------------------------------------|------------------------------------------|---------------------|---------------------|------------------------------------------|------------------------------------|
| Bonds payable                                           |                                          |                     |                     |                                          |                                    |
| Revenue bonds - direct placement                        | \$ 8,785,000                             | \$ 63,000           | \$ 1,760,000        | \$ 7,088,000                             | \$ 1,800,000                       |
| Bonds payable                                           | 8,785,000                                | 63,000              | 1,760,000           | 7,088,000                                | 1,800,000                          |
| Compensated absences*                                   | 901,254                                  | 991,496             | -                   | 1,892,750                                | 110,279                            |
| Net pension liability                                   | 13,761,686                               | -                   | 565,895             | 13,195,791                               | -                                  |
| Other postemployment benefits                           | 1,397,589                                | 80,731              | -                   | 1,478,320                                | 38,565                             |
| Customer deposits                                       | 1,466,875                                | 128,615             | -                   | 1,595,490                                | -                                  |
| Total business-type activities<br>long-term liabilities | <u>\$ 26,312,404</u>                     | <u>\$ 1,263,842</u> | <u>\$ 2,325,895</u> | <u>\$ 25,250,351</u>                     | <u>\$ 1,948,844</u>                |

\* Compensated absences increases and decreases are shown net.

# City of Bentonville, Arkansas

## Notes to Financial Statements

### December 31, 2024

Bonds and notes outstanding at December 31, 2024, were as follows:

|                                                                                 | Interest Rates | Date Callable | Final Maturity Date | Principal at December 31, 2024 |
|---------------------------------------------------------------------------------|----------------|---------------|---------------------|--------------------------------|
| General long-term obligations                                                   |                |               |                     |                                |
| Sales and Use Tax bonds, Series 2021A                                           | .32-1.1%       | N/A           | 2025                | \$ 580,000                     |
| Sales and Use Tax bonds, Series 2021B                                           | 1.05-5.0%      | 2028          | 2046                | 32,945,000                     |
| Sales and Use Tax bonds, Series 2023                                            | 4.125-5.0%     | N/A           | 2046                | 46,440,000                     |
| Sub-total                                                                       |                |               |                     | 79,965,000                     |
| Note Payable                                                                    | 0%             | N/A           | 2029                | 2,676,350                      |
|                                                                                 |                |               |                     | <u>\$ 82,641,350</u>           |
| Enterprise Funds                                                                |                |               |                     |                                |
| Electric Refunding and Storm Recovery Revenue Bonds, Series 2022A               | 2.44%          | N/A           | 2028                | \$ 5,105,000                   |
| Water and Sewer System Refunding and Storm Recovery Revenue Bonds, Series 2022B | 2.01%          | N/A           | 2028                | 1,920,000                      |
| Combined Electric, Water and Sewer System Revenue Bond, Series 2024             | 0.75%          | N/A           | 2048                | 63,000                         |
|                                                                                 |                |               |                     | <u>\$ 7,088,000</u>            |

**Note Payable** – The note payable is due October 1, 2029, with principal payable annually beginning in 2027 and interest at 0%.

**Combined Electric, Water and Sewer System Revenue Bonds, Series 2024** – On October 24, 2024, the City issued \$97,759,381 of Revenue Bonds with an interest rate of 0.75% and a service fee of 1% to finance a portion of the costs of extensions, betterments, and improvements to the City's sewer facilities, which are operated with the City's electric and water facilities. Draws totaled \$63,000 as of December 31, 2024.

**Sales and Use Tax Bonds, Series 2023** – On November 14, 2023, the City issued \$53,925,000 Sales and Use Tax Bonds with interest rates ranging from 4.125% to 5.0% to finance all or a portion of the costs of various capital improvements for the City, funding a portion of a debt service reserve and paying expenses of issuing the 2023 Bonds.

**Electric, Water and Sewer System Refunding and Storm Recovery Revenue Bonds, Taxable Series 2022A** – On April 14, 2022, the City issued \$8,820,000 of Series 2022A Refunding and Storm Recovery Revenue Bonds with an interest rate of 2.44% to finance storm recovery costs, to accomplish the refunding of the Series 2006B Bonds and to pay expenses of issuing the Series 2022A Bonds.

**Electric, Water and Sewer System Refunding and Storm Recovery Revenue Bonds, Series 2022B** – On April 14, 2022, the City issued \$3,435,000 of Series 2022B Refunding and Storm Recovery Revenue Bonds with an interest rate of 2.01% to finance storm recovery costs, to accomplish the

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

refunding of the Series 2000 Bonds and the Series 2006A Bonds and to pay expenses of issuing the Series 2022B Bonds.

**Sales and Use Tax Refunding and Improvement Bonds, Series 2021A** – On June 22, 2021, the City issued \$7,470,000 Sales and Use Tax Refunding and Improvement Bonds with interest rates ranging from .32% to 1.1% to finance a portion of the costs of street improvements, fund a portion of a debt reserve, and advance refund \$6,685,000 of outstanding Series Sales and Use Tax Bonds with interest rates ranging from 2.0% to 5.0%. The net proceeds of the refunding portion of the bonds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2017 bonds. As a result, the Series 2017 Bonds are considered to be defeased, and the liability for those bonds has been removed from the City's statement of net position. The Series 2017 Bonds were paid in full as of December 31, 2022.

**Sales and Use Tax Refunding and Improvement Bonds, Series 2021B** – On June 22, 2021, the City issued \$76,575,000 Sales and Use Tax Bonds for the purpose of financing the costs of various capital improvements, refunding the Series 2009 and Series 2010 Sales and Use Tax Bonds, financing all or a portion of the costs of various capital improvements for the City, providing for a debt service reserve and paying costs incidental thereto and to the issuance of the bonds. The bonds bear interest rates ranging from 1.05% to 5.0%.

### Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on revenue bonds and notes payable outstanding at December 31, 2024.

| Fiscal Year | Governmental Activities |                      |                          |             |                      |                      |
|-------------|-------------------------|----------------------|--------------------------|-------------|----------------------|----------------------|
|             | Bonds – Publicly Traded |                      | Loans – Direct Placement |             | Total                |                      |
|             | Principal               | Interest             | Principal                | Interest    | Principal            | Interest and Fees    |
| 2025        | \$ 3,850,000            | \$ 4,088,979         | \$ -                     | \$ -        | \$ 3,850,000         | \$ 4,088,979         |
| 2026        | 4,010,000               | 3,917,349            | -                        | -           | 4,010,000            | 3,917,349            |
| 2027        | 4,210,000               | 3,714,849            | 892,117                  | -           | 5,102,117            | 3,714,849            |
| 2028        | 4,425,000               | 3,502,349            | 892,117                  | -           | 5,317,117            | 3,502,349            |
| 2029        | 4,640,000               | 3,279,099            | 892,116                  | -           | 5,532,116            | 3,279,099            |
| 2030–2034   | 25,975,000              | 13,636,894           | -                        | -           | 25,975,000           | 13,636,894           |
| 2035–2039   | 15,895,000              | 8,601,801            | -                        | -           | 15,895,000           | 8,601,801            |
| 2040–2045   | 16,960,000              | 7,101,262            | -                        | -           | 16,960,000           | 7,101,262            |
|             | <u>\$ 79,965,000</u>    | <u>\$ 47,842,582</u> | <u>\$ 2,676,350</u>      | <u>\$ -</u> | <u>\$ 82,641,350</u> | <u>\$ 47,842,582</u> |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

| Fiscal Year | Business-type Activities |                   |                 |
|-------------|--------------------------|-------------------|-----------------|
|             | Bonds – Direct Placement |                   |                 |
|             | Principal                | Interest          | Service Fee     |
| 2025        | \$ 1,800,000             | \$ 163,627        | \$ 630          |
| 2026        | 1,700,000                | 121,706           | 630             |
| 2027        | 1,740,000                | 82,269            | 630             |
| 2028        | 1,785,000                | 41,898            | 630             |
| 2029        | 63,000                   | 473               | 630             |
|             | <u>\$ 7,088,000</u>      | <u>\$ 409,973</u> | <u>\$ 3,150</u> |

For governmental activities, net pension liabilities and other post-employment liabilities have historically been the responsibility of the General Fund.

The following is a summary of pledged revenues of the City for the year ended December 31, 2024:

| Debt                                                                                        | Revenue Pledged                 | Total Pledged Revenue | Portion of Pledged Revenue Stream | Percentage Portion of Pledged Revenue Stream | Remaining Principal, Interest and Fees | Period Revenue Will Not Be Available for Other Purposes |
|---------------------------------------------------------------------------------------------|---------------------------------|-----------------------|-----------------------------------|----------------------------------------------|----------------------------------------|---------------------------------------------------------|
| <b>Governmental Activities:</b>                                                             |                                 |                       |                                   |                                              |                                        |                                                         |
| Sales and Use Tax Bonds, Series 2021A                                                       | Sales and Use Tax               | \$ 20,853,236         | \$ 2,485,568                      | 11.9%                                        | \$ 586,380                             | Until 2025                                              |
| Sales and Use Tax Bonds, Series 2021B                                                       | Sales and Use Tax               | 20,853,236            | 9,931,453                         | 47.6%                                        | 49,019,500                             | Until 2042                                              |
| Sales and Use Tax Bonds, Series 2023                                                        | Sales and Use Tax               | 20,853,236            | 9,526,176                         | 45.7%                                        | 78,201,702                             | Until 2046                                              |
| <b>Business-type Activities:</b>                                                            |                                 |                       |                                   |                                              |                                        |                                                         |
| Combined Electric, Water and Sewer Refunding and Storm Recovery Revenue Bonds, Series 2022A | Revenues of the Enterprise Fund | 129,915,407           | 1,460,888                         | 1.1%                                         | 5,415,124                              | Until 2028                                              |
| Combined Electric, Water and Sewer Refunding and Storm Recovery Revenue Bonds, Series 2022B | Revenues of the Enterprise Fund | 129,915,407           | 502,521                           | 0.4%                                         | 2,017,485                              | Until 2028                                              |
| Combined Electric, Water and Sewer System Revenue Bonds, Series 2024                        | Revenues of the Enterprise Fund | 129,915,407           | -                                 | -%                                           | 68,512                                 | Until 2048                                              |

### Revenue Bonds From Direct Placements

The City's outstanding revenue bonds from direct placements of \$7,088,000 contain a provision that in an event of default, the bonds shall during the pendency of such payment default, bear interest at the bond interest rate plus 4%.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Note 5: Interfund Receivables and Payables

Interfund receivables and payables as of December 31, 2024, are as follows:

|                             | <b>Interfund<br/>Receivables</b> | <b>Interfund<br/>Payables</b> |
|-----------------------------|----------------------------------|-------------------------------|
| General fund                | \$ 1,347,994                     | \$ 512,918                    |
| Street fund                 | 9,760                            | 333,953                       |
| Nonmajor Governmental funds | -                                | 516,406                       |
| Enterprise fund             | 5,998                            | 475                           |
|                             | <u>\$ 1,363,752</u>              | <u>\$ 1,363,752</u>           |

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

### Note 6: Interfund Transfers

Amount of interfund transfers between funds are summarized as follows:

|                              | <b>Transfer In</b>   | <b>Transfer Out</b>  | <b>Total</b>     |
|------------------------------|----------------------|----------------------|------------------|
| General                      | \$ 2,752,090         | \$ 7,096,762         | \$ (4,344,672)   |
| Non-major governmental funds | 13,562               | 3,042,176            | (3,028,614)      |
| Utility                      | <u>7,373,286</u>     | <u>-</u>             | <u>7,373,286</u> |
| Total                        | <u>\$ 10,138,938</u> | <u>\$ 10,138,938</u> | <u>\$ -</u>      |

Transfers are used to move revenues from the fund where collected to the appropriate fund. These transfers represent movement of funds from impact fees held in non-major governmental funds to the respective funds for which the impact fees were imposed. \$7,083,200 was transferred from the General to Utility Fund to fund capital projects in the Water and Sewer Departments.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Note 7: Pension Plans

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

|                                                | FRPF         | LOPFI      | APERS      | Total        |
|------------------------------------------------|--------------|------------|------------|--------------|
| Net pension asset                              | \$ 2,873,979 | \$ -       | \$ -       | \$ 2,873,979 |
| Net pension liability                          | -            | 32,799,486 | 30,119,891 | 62,919,377   |
| Deferred outflows of resources                 | 314,776      | 8,212,599  | 4,889,348  | 13,716,723   |
| Deferred outflows of resources – contributions | -            | 4,365,950  | 2,142,408  | 6,508,358    |
| Deferred inflows of resources                  | -            | 1,940,515  | 1,231,465  | 3,171,980    |
| Pension expense (income)                       | (216,798)    | 5,109,476  | 6,317,254  | 11,209,932   |

Pension items listed above for the Arkansas Public Employees Retirement System (APERS) Plan have been allocated between governmental activities and business-type activities (as well as proprietary funds) on the basis of total salaries.

The City also participates in the Bentonville Volunteer Fire Plan, an agent multiple-employer defined benefit plan. Pension items and disclosures have not been included herein because of the insignificance of their dollar amounts.

#### ***Firemen's Relief and Pension Fund (FRPF) (the Old Plan)***

**Plan Description.** The Firemen's Relief and Pension Fund (FRPF) is an agent multiple-employer defined benefit pension plan for employees of the Fire Department who were hired prior to January 1, 1983. The Old Plan was established in accordance with Arkansas statutes and was closed, by state law, to new employees effective January 1, 1983. On June 25, 2013, the City entered into an agreement with the Arkansas local police and fire (LOPFI) retirement system whereby LOPFI assumed responsibility for administration and a portion of the obligation of the Old Plan pursuant to Act 364 of 1981, as amended, and Act 655 of 1983 of the General Assembly of the State of Arkansas. Per the Agreement between the City and LOPFI, the City will contribute an actuarially determined rate sufficient to support the current plan benefit levels and fund the Old Plan's net pension obligation over a 30-year open amortization period. The Old Plan's benefit structure remains unchanged under the administration of LOPFI. The Old Plan issues separate stand-alone financial statements and can be obtained from the Arkansas Local Police and Fire Retirement System, 620 West 3rd Street, Little Rock, Arkansas, 72201.

**Benefits.** The FRPF provides retirement benefits for firemen who have completed 20 years of service regardless of age. The benefit is equal to 50% of the member's final salary, but not less than \$11,040. If service exceeds 20 years, the annual benefit is increased by \$240 for each year over 20, not to exceed \$1,200 per year and if service exceeds 25 years, the member will receive an additional 1.25% for each year over 25 years, however, the total benefit cannot exceed 100% of the

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

member's final salary. Disability benefits are available to policemen who become permanently disabled, unless the disability is the direct result of gainful employment performed outside of the police department. This benefit is the same as noted above, but for non-duty disability cannot be less than \$11,040 per year and for duty-related disability cannot be less than 65% of the member's final salary. The PRPF also provides benefits for surviving spouses and dependent children in which widows receive the same amount the member is receiving or would be eligible to receive, and children receive \$1,500 per year until age 18 (23, if still in school). No participants' benefits vest until normal retirement age. At normal retirement, participants may elect to continue working and enter the Deferred Retirement Option Plan for up to 5 years. All firemen hired after January 1, 1983, participate in the Arkansas Local Police and Fire Retirement System created by Act 364 of 1981 and described later in this footnote. Therefore, the Firemen's Fund is effectively closed to new members.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

|                            |               |
|----------------------------|---------------|
| Retirees and beneficiaries | 9             |
| DROP members               | -             |
| Active members             | -             |
|                            | <hr/>         |
| Total                      | <hr/> <hr/> 9 |

*Contributions.* As the plan is closed to new members and there are no active members included in the plan, there are no contributions made by members to the plan. The contribution rate for the City is actuarially determined on an annual basis. However, due to the well-funded status of the plan, there has been no contribution requirement for the City in recent years. The Plan does, however, normally receive a state insurance turn back on an annual basis.

*Net Pension Asset.* The City's net pension asset of \$2,873,979 as of December 31, 2024, was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial calculation as of December 31, 2023.

**City of Bentonville, Arkansas**  
**Notes to Financial Statements**  
**December 31, 2024**

**Actuarial Assumptions**

|                           |                                   |
|---------------------------|-----------------------------------|
| Valuation Date            | December 31, 2023                 |
| Cost Method               | Individual entry-age normal       |
| Asset valuation method    | 5-Year smoothed fair value        |
| Amortization method       | Closed amortization period        |
| Amortization period       | 7 years beginning January 1, 2023 |
| Assumptions:              |                                   |
| Inflation rate            | 2.25%                             |
| Investment rate of return | 7.25%                             |

Mortality rates for retirees, beneficiaries, and DROP members were based on Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted fully for generational mortality improvements using scale MP-2020.

Actuarial assumptions used in the December 31, 2023, valuation were based on the results of actuarial experience studies. The experience study in FRPF was for the period January 1, 2017 through December 31, 2020, first used in the December 31, 2021 valuation. Assumptions are reviewed annually. No additional changes were made for the 2023 valuation.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments is 7.25%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the LOPFI Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of the plan.

The long-term expected rate of return on pension plan investment was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation are developed for each major asset class). These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Long-term Expected Real Rate of Return |                   |                                        |
|----------------------------------------|-------------------|----------------------------------------|
| Asset Class                            | Target Allocation | Long-term Expected Real Rate of Return |
| U.S. Stock – Large Cap                 | 21%               | 5.62%                                  |
| U.S. Stock – Small Cap                 | 21%               | 5.86%                                  |
| International Equity                   | 9%                | 6.92%                                  |
| Emerging Markets                       | 9%                | 8.95%                                  |
| U.S. Corporate Bonds                   | 25%               | 2.29%                                  |
| Real Estate                            | 5%                | 3.61%                                  |
| Private Equity                         | 10%               | 9.48%                                  |
| Total                                  | 100%              |                                        |

**City of Bentonville, Arkansas**  
**Notes to Financial Statements**  
**December 31, 2024**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of retired and DROP members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Asset**

|                                                               | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Asset<br/>(a) - (b)</b> |
|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------|
| <b>Balances at January 1, 2024</b>                            | \$ 5,750,926                               | \$ 7,894,974                                   | \$ (2,144,048)                             |
| <b>Changes for the year:</b>                                  |                                            |                                                |                                            |
| Interest                                                      | 401,158                                    | -                                              | 401,158                                    |
| Differences between expected and actual experience            | 64,908                                     | -                                              | 64,908                                     |
| Contributions – employer                                      | -                                          | 19,102                                         | (19,102)                                   |
| Contributions – employee                                      | -                                          | -                                              | -                                          |
| Net investment income                                         | -                                          | 1,186,840                                      | (1,186,840)                                |
| Benefit payments, including refunds of employee contributions | (435,411)                                  | (435,411)                                      | -                                          |
| Change in assumptions                                         | -                                          | -                                              | -                                          |
| Administrative expense                                        | -                                          | (9,945)                                        | 9,945                                      |
| <b>Net changes</b>                                            | <u>30,655</u>                              | <u>760,586</u>                                 | <u>(729,931)</u>                           |
| <b>Balances at December 31, 2024</b>                          | <u><u>\$ 5,781,581</u></u>                 | <u><u>\$ 8,655,560</u></u>                     | <u><u>\$ (2,873,979)</u></u>               |

The City has designated property tax millage to this plan that is paid directly to LOPFI and then allocated to the plan.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following table presents the net pension asset for the City using the current rate as compared to what the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage higher than the current rate:

|                          | Sensitivity of the Net Pension Asset to the<br>Single Discount Rate Assumption |                                            |                      |
|--------------------------|--------------------------------------------------------------------------------|--------------------------------------------|----------------------|
|                          | 1% Decrease<br>6.25%                                                           | Current Single Rate<br>Assumption<br>7.25% | 1% Increase<br>8.25% |
| City's Net Pension Asset | \$ (2,283,915)                                                                 | \$ (2,873,979)                             | \$ (3,382,787)       |

### Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2024, the City recognized a reduction in pension expense of \$216,798 related to this plan.

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

|                                                                                  | Deferred Outflows<br>of Resources |
|----------------------------------------------------------------------------------|-----------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ 314,776                        |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

Amounts reported as deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

| <u>Year Ending December 31</u> |                   |
|--------------------------------|-------------------|
| 2024                           | \$ 28,345         |
| 2025                           | 124,636           |
| 2026                           | 287,777           |
| 2027                           | <u>(125,982)</u>  |
| Total                          | <u>\$ 314,776</u> |

### **Local Police and Fire Retirement System (LOPFI)**

*Plan Description.* The Arkansas Local Police and Fire Retirement System (LOPFI) is a statewide cost-sharing multiple-employer defined benefit pension plan administered by the LOPFI Board of Trustees. LOPFI provides retirement, disability and survivor benefits to police and fire employees of political subdivisions of the State of Arkansas. LOPFI was created by Act 364 of the 1981 General Assembly. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the plan. On January 1, 2008, only firemen of the City participated in the plan. Effective July 1, 2008, policemen of the City began participating in the plan. LOPFI issues a publicly available report, which may be obtained by writing to LOPFI, P.O. Drawer 34164, Little Rock, Arkansas, 72203, or by calling 501.682.1745.

*Benefits provided.* LOPFI provides for a retirement benefit paid to the Member on a monthly basis. The monthly benefit is based on a formula provided by law for the Member's lifetime. The Member has several options in calculating the benefit, which is normally the result of these factors: age at retirement, retirement multiplier, amount of credit services (years and months), and final average pay (FAP). Each option available to the member provides for a different calculation based on these factors.

*Contributions.* Contributions to LOPFI are made by both the Member and employers. Member contribution rates are established by the LOPFI Board of Trustees. The employer contributions are actuarially determined on an annual basis. The current employee contribution rate is 2.5 percent of covered payroll for policemen and 8.5 percent of covered payroll for firemen. The City contributed 24.00% of covered employee's salaries to the plan for policemen and firemen for the year ended December 31, 2023. Contributions made to the plan by employees and the City for the year ended December 31, 2023 amounted to \$1,013,537 and \$4,365,950, respectively.

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

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

At December 31, 2024, the City reported a liability of \$32,799,486 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the ratio of the City's actual contributions to the Plan during the measurement period to the total employer contributions to the Plan of the group for the measurement period. At December 31, 2023, the City's proportion was 3.276880 percent, which was an increase of 0.02166 percent from the prior year.

For the year ended December 31, 2024, the City recognized pension expense of \$5,109,476 related to this plan. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                               | \$ 4,020,521                              | \$ -                                     |
| Net difference between projected and actual earnings on pension plan investments | 3,035,684                                 | -                                        |
| Changes in assumptions                                                           | 123,443                                   | 1,534,480                                |
| Changes in proportion                                                            | 1,032,951                                 | 406,035                                  |
| Contributions subsequent to the measurement date                                 | <u>4,365,950</u>                          | <u>-</u>                                 |
| Total                                                                            | <u>\$ 12,578,549</u>                      | <u>\$ 1,940,515</u>                      |

# City of Bentonville, Arkansas

## Notes to Financial Statements

### December 31, 2024

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$4,365,950 will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

| <u>Year Ending December 31</u> |                     |
|--------------------------------|---------------------|
| 2024                           | \$ 2,033,924        |
| 2025                           | 2,232,724           |
| 2026                           | 3,875,958           |
| 2027                           | (1,870,522)         |
| 2028                           | <u>-</u>            |
| Total                          | <u>\$ 6,272,084</u> |

#### Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                           |
|---------------------------|---------------------------------------------------------------------------|
| Actuarial cost method     | Entry age normal                                                          |
| Price inflation           | 2.50 percent                                                              |
| Wage inflation            | 3.25 percent                                                              |
| Salary increases          | 3.75 to 18.25 percent, including inflation                                |
| Investment rate of return | 7.25 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2017 to December 31, 2020.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The rates were built on a target allocation for all pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The long-term expected rates of return are shown in the table below:

| Long-term Expected Real Rate of Return |                   |                                        |
|----------------------------------------|-------------------|----------------------------------------|
| Asset Class                            | Target Allocation | Long-Term Expected Real Rate of Return |
| U.S. Stock - Large Cap                 | 21.00%            | 5.62%                                  |
| U.S. Stock - Small Cap                 | 21.00%            | 5.86%                                  |
| International Equity                   | 9.00%             | 6.92%                                  |
| Emerging Markets                       | 9.00%             | 8.95%                                  |
| U.S. Corporate Bonds                   | 25.00%            | 2.29%                                  |
| Real Estate                            | 5.00%             | 3.61%                                  |
| Private Equity                         | 10.00%            | 9.48%                                  |
| Total                                  | 100.00%           |                                        |

### Discount Rate

In the December 31, 2023 actuarial valuation, a single discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

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

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

|                                                            | Sensitivity of the Net Pension Liability to the<br>Single Discount Rate Assumption |                                               |                      |
|------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------|----------------------|
|                                                            | 1% Decrease<br>6.25%                                                               | Current Single<br>Rate<br>Assumption<br>7.25% | 1% Increase<br>8.25% |
| City's proportionate share of<br>the net pension liability | \$ 51,426,584                                                                      | \$ 32,799,486                                 | \$ 17,739,594        |

### Pension Plan Fiduciary Net Position

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

### Arkansas Public Employees Retirement System (APERS)

*Plan Description.* For certain other employees, the City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit plan administered by the APERS Board of Trustees. APERS provides retirement, death and disability benefits and annual cost-of-living adjustments to plan members. APERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to APERS, One Union National Plaza, Little Rock, AR 72201 or by calling 501.682.7800.

Act 2084 of the 2005 Arkansas General Assembly provides for a new contributory program for APERS members hired on or after July 1, 2005, and those non-contributory members who elect to become contributory. Members participating in the contributory program will contribute 5% of their annual compensation, pre-tax (taxes are deferred). All active APERS members employed before July 1, 2005, had six months to elect coverage under the contributory program. The deadline to elect to be contributory was December 31, 2005. The contributory program does not provide for a temporary annuity for participants. However, the contributory program does provide for a higher multiplier (2.0%) that is utilized to calculate the member's retirement benefit.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

*Benefits provided.* Benefits under APERS are calculated depending on the member's hire date, with retirees separated into two separate categories; the non-contributory plan applies to all persons hired prior to July 1, 2005 while the new contributory plan applies to all employees hired on or after July 1, 2005. Under both plans, a member may retire with full benefits at either the age of 65 with five years of service, or at any age with 28 years of service. The member may retire with reduced benefits at either the age of 55 with five years of service or at any age with 25 years of service. The reduction is equal to one-half of one percent for each month retirement precedes normal retirement age or one-percent for each month below 28 years of actual service, whichever is less. Under the non-contributory plan, the benefit calculation is equal to a factor of 1.72% of the member's final average salary multiplied by the years and months of credited service. Under the new contributory plan, the benefit calculation is equal to a factor of 2.00% of the members final average salary multiplied by the years of credited service. Under each plan, an additional .5% of the member's final average salary is awarded for each year of credited service exceeding 28 years. The minimum monthly benefit is \$150, excluding any age and beneficiary option reductions.

Under both the non-contributory and contributory plan, the member's final average salary is the highest 36 calendar months of covered compensation. In addition, a cost-of-living adjustment of 3% annually is included in the current benefits.

*Contributions.* Contributions to APERS are made by both the Member (under the contributory plan) and employers. Member contribution rates are established by the APERS Board of Trustees. The employer contributions are actuarially determined on an annual basis. The current employee contribution rate is 5 percent of covered payroll for each employee under the new contributory plan. The City contributed 15.32% of covered employee's salaries to the plan for the period January 1, 2024 to December 31, 2024. Contributions made to the plan by employees and the City for the year ended December 31, 2024 amounted to \$1,348,366 and \$3,962,744, respectively.

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

At December 31, 2024, the City reported a liability of \$30,119,891 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on based on the ratio of the City's actual contributions to the Plan during the measurement period to the total employer contributions to the Plan of the group for the measurement period. At June 30, 2024, the City's proportion was 1.21054722%, which is an increase of .057085% from the prior year.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

For the year ended December 31, 2024, the City recognized pension expense of \$6,317,254. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                               | \$ 1,168,891                              | \$ 1,231,465                             |
| Change of assumptions                                                            | 1,049,665                                 | -                                        |
| Changes in proportion                                                            | 1,797,024                                 | -                                        |
| Net difference between projected and actual earnings on pension plan investments | 873,768                                   | -                                        |
| Contributions subsequent to the measurement date                                 | <u>2,142,408</u>                          | <u>-</u>                                 |
| Total                                                                            | <u>\$ 7,031,756</u>                       | <u>\$ 1,231,465</u>                      |

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,142,408 will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

| <b>Year Ending December 31</b> |                     |
|--------------------------------|---------------------|
| 2025                           | \$ (520,186)        |
| 2026                           | 8,173,044           |
| 2027                           | (2,578,015)         |
| 2028                           | (1,416,960)         |
| 2029                           | <u>-</u>            |
| Total                          | <u>\$ 3,657,883</u> |

### Actuarial Assumptions

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

|                           |                                                                           |
|---------------------------|---------------------------------------------------------------------------|
| Inflation                 | 2.5 percent                                                               |
| Salary increases          | 3.25 percent to 9.85 percent                                              |
| Investment rate of return | 7.15 percent, net of pension plan investment expense, including inflation |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

Mortality rates were based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. The disability post-retirement mortality tables used were the RP-2006 Disabled Retiree benefit weighted generational mortality tables for males and females. The death-in-service mortality tables used were the RP-2006 Employee benefit weighted generational mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2017.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

### Long-term Expected Return on Plan Assets

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

| Long-term Expected Real Rate of Return |                   |                                        |
|----------------------------------------|-------------------|----------------------------------------|
| Asset Class                            | Target Allocation | Long-Term Expected Real Rate of Return |
| Broad Domestic Equity                  | 39.00%            | 5.03%                                  |
| International Equity                   | 17.00%            | 6.34%                                  |
| Real Estate                            | 16.00%            | 4.51%                                  |
| Private Equity                         | 5.00%             | 9.00%                                  |
| Hedge Funds                            | 2.00%             | 3.63%                                  |
| Domestic Fixed                         | 21.00%            | 3.83%                                  |
| Total                                  | 100.00%           |                                        |

### Discount Rate

In the June 30, 2024 actuarial valuation, a single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Sensitivity of the City's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

|                                                                    | Sensitivity of the Net Pension Liability to the<br>Single Discount Rate Assumption |                                            |                      |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|----------------------|
|                                                                    | 1% Decrease<br>6.00%                                                               | Current Single<br>Rate Assumption<br>7.00% | 1% Increase<br>8.00% |
| City's proportionate share of<br>the net pension liability/(asset) | \$ 51,395,390                                                                      | \$ 30,119,891                              | \$ 12,579,811        |

### Note 8: Other Postemployment Benefits (OPEB)

*Plan Description:* The City sponsors and administers an informal single-employer defined benefit healthcare plan. Retirees who are vested in their retirement plan and are eligible to receive a retirement benefit (and actually apply for and receive the retirement benefit) are eligible to purchase continued health benefits coverage for the retiree and the retiree's dependents until Medicare eligibility. The City Council has the authority to establish and amend the requirements of this plan. The City does not issue stand-alone financial statements of the healthcare plan but all required information is presented in this report. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB No. 75.

*Funding Policy:* The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage is the same as the coverage provided to active City employees. Retirees pay premiums ranging from \$369.64 to \$1,168.95 per month depending on the coverage elected. The City's policy maintains that retirees must pay 100% of the cost of premiums. The cost of retiree healthcare benefits is financed on a pay-as-you-go basis and is recorded as an expense in the applicable fund as liabilities are incurred. There were 25 retirees covered under this plan at December 31, 2024. Dependent coverage was provided for three of the retirees. Total benefits paid by City to retirees during the fiscal year were \$220,896.

**City of Bentonville, Arkansas**  
**Notes to Financial Statements**  
**December 31, 2024**

*Employees covered by benefit terms* – at December 31, 2024, the following employees were covered by benefit terms:

|                                                                             |                       |
|-----------------------------------------------------------------------------|-----------------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 25                    |
| Inactive plan members entitled to but not receiving benefit payments        | -                     |
| Active members                                                              | <u>669</u>            |
| <br>Total                                                                   | <br><u><u>694</u></u> |

*Total OPEB Liability* – The City's total OPEB liability of \$9,458,460 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

**City of Bentonville, Arkansas**  
**Notes to Financial Statements**  
**December 31, 2024**

*Actuarial Methods and Assumptions:* The Total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discount rate                  | 4.28 percent based on the 20 year municipal bond yield from the Bond Buyer's index.<br>Prior discount rate was 4.00 percent                                                                                                                                                                                                                                                                                                                                                                    |
| Salary increases               | 3.25 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Inflation rate                 | 2.50 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Healthcare Cost<br>Trend rates | 7.5 percent for 2025 decreasing annually, to ultimate rate of 4.5 percent for 2031                                                                                                                                                                                                                                                                                                                                                                                                             |
| Cost Method                    | Allocation of Actuarial Present Value of Future Benefits for Services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary were:<br>Services cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefits at retirement; and Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth. |
| Mortality                      | General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021<br>Police Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021<br>Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality fully generational using Scale MP-2021                                                                                                                           |

**City of Bentonville, Arkansas**  
**Notes to Financial Statements**  
**December 31, 2024**

*Changes in Total OPEB Liability*

|                                                    |                            |
|----------------------------------------------------|----------------------------|
| Service cost                                       | \$ 702,803                 |
| Interest                                           | 385,541                    |
| Changes in benefit terms                           | (192,580)                  |
| Changes in assumptions                             | (339,321)                  |
| Differences between expected and actual experience | 77,821                     |
| Benefit payments                                   | <u>(220,896)</u>           |
| Net change in total OPEB liability                 | 413,368                    |
| Total OPEB Liability – beginning of year           | <u>9,045,092</u>           |
| Total OPEB Liability – end of year                 | <u><u>\$ 9,458,460</u></u> |

*Sensitivity of the Total OPEB Liability to the Discount Rate* – The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

| <b>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</b> |                              |                                |                              |
|--------------------------------------------------------------------------------|------------------------------|--------------------------------|------------------------------|
|                                                                                | <b>1% Decrease<br/>3.00%</b> | <b>Discount Rate<br/>4.00%</b> | <b>1% Increase<br/>5.00%</b> |
| Other Postemployment Benefits Liability                                        | <u>\$ 10,477,014</u>         | <u>\$ 9,458,460</u>            | <u>\$ 8,552,137</u>          |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

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

| <b>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate</b> |                    |                                    |                    |
|---------------------------------------------------------------------------------------------|--------------------|------------------------------------|--------------------|
|                                                                                             | <b>1% Decrease</b> | <b>Healthcare Cost Trend Rates</b> | <b>1% Increase</b> |
| Other Postemployment Benefits Liability                                                     | \$ 8,306,236       | \$ 9,458,460                       | \$ 10,836,133      |

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the year ended December 31, 2024, the City recognized OPEB expense of \$917,645. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                    | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
|----------------------------------------------------|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ 542,737                            | \$ (1,502,353)                       |
| Changes in assumptions                             | 1,395,454                             | (515,613)                            |
| Total                                              | \$ 1,938,191                          | \$ (2,017,966)                       |

The balances as of December 31, 2024 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future fiscal years as follows:

| <b>Fiscal Year Ended December 31,</b> | <b>Annual OPEB Cost</b> |
|---------------------------------------|-------------------------|
| 2025                                  | \$ 21,881               |
| 2026                                  | 21,881                  |
| 2027                                  | 21,881                  |
| 2028                                  | 47,478                  |
| 2029                                  | (32,384)                |
| Thereafter                            | (160,512)               |
| Total                                 | \$ (79,775)             |

# City of Bentonville, Arkansas

## Notes to Financial Statements

December 31, 2024

### Note 9: Risk Management

The City has various insurance policies to cover its potential liability risk areas (*e.g.*, automobile, personal property, contents and outside structures and worker's compensation). Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. AML provides the City with automobile and legal defense coverage. Fixed premiums are set annually by AML based on such factors as claims experience, employee class multipliers and population. For risks covered by AML, the City pays no deductible; however, the City pays a \$2,000 fee to AML for each legal matter it handles. There have been no significant reductions in coverage from 2023 to 2024; nor have settlement amounts exceeded insurance coverage for the current year or the three prior years.

### Note 10: Contingencies

The City, its agencies and its employees are defendants in various legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the City for property damage and personal injury, other alleged torts and alleged violations of state and federal laws. Based on the current status of all of these legal proceedings, it is the opinion of the City Attorney and management that the ultimate outcome will not have a material adverse impact on the City's financial position.

### Note 11: Subsequent Events

In May 2025, the City issued \$65,895,000 of Sales and Use Tax Bonds for the purpose of financing capital improvements.

***Required Supplementary Information***

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**City of Bentonville, Arkansas**  
**Budgetary Comparison Schedule -**  
**General Fund**  
**Year Ended December 31, 2024**

|                                                              | Original Budget | Final Budget  | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-----------------|---------------|----------------|---------------------------------------------------------|
| <b>Revenues</b>                                              |                 |               |                |                                                         |
| Property tax                                                 | \$ 8,734,292    | \$ 8,734,292  | \$ 9,881,176   | \$ 1,146,884                                            |
| Sales tax                                                    | 47,505,632      | 47,505,632    | 48,546,558     | 1,040,926                                               |
| State turnback                                               | 2,048,784       | 2,048,784     | 2,275,449      | 226,665                                                 |
| Franchise taxes                                              | 6,447,146       | 6,447,146     | 6,499,636      | 52,490                                                  |
| Charges for services                                         | 7,604,301       | 7,604,301     | 8,439,921      | 835,620                                                 |
| Fines and forfeitures                                        | 494,102         | 494,102       | 537,235        | 43,133                                                  |
| Licenses and permits                                         | 1,872,338       | 1,872,338     | 1,575,086      | (297,252)                                               |
| Grants                                                       | 992,048         | 87,409,060    | 26,178,486     | (61,230,574)                                            |
| Contributions                                                | 84,260          | 8,161,429     | 6,467,756      | (1,693,673)                                             |
| Interest income                                              | 2,822,146       | 2,822,146     | 3,833,855      | 1,011,709                                               |
| Investment income                                            | -               | -             | 697,234        | 697,234                                                 |
| Miscellaneous                                                | 7,519,630       | 7,519,630     | 1,732,806      | (5,786,824)                                             |
| Total revenues                                               | 86,124,679      | 180,618,860   | 116,665,198    | (63,953,662)                                            |
| <b>Expenditures</b>                                          |                 |               |                |                                                         |
| Current                                                      |                 |               |                |                                                         |
| General government                                           | 12,955,569      | 25,333,028    | 17,322,482     | 8,010,546                                               |
| Public safety                                                | 37,293,124      | 37,857,298    | 36,403,040     | 1,454,258                                               |
| Recreation                                                   | 14,883,337      | 20,358,672    | 15,431,354     | 4,927,318                                               |
| Library                                                      | 2,870,442       | 2,885,594     | 2,377,159      | 508,435                                                 |
| CDBG                                                         | -               | 320,831       | 30,378         | 290,453                                                 |
| Capital outlay                                               | 11,144,531      | 129,944,137   | 36,870,777     | 93,073,360                                              |
| Bond issue costs                                             | 137,325         | 142,895       | 134,928        | 7,967                                                   |
| Total expenditures                                           | 79,284,328      | 216,842,455   | 108,570,118    | 108,272,337                                             |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | 6,840,351       | (36,223,595)  | 8,095,080      | 44,318,675                                              |
| <b>Other Financing Sources (Uses)</b>                        |                 |               |                |                                                         |
| Sale of capital assets                                       | -               | -             | 16,568         | 16,568                                                  |
| Debt proceeds                                                | -               | 2,650,000     | 2,676,350      | 26,350                                                  |
| Transfers in                                                 | 2,225,000       | 4,204,863     | 2,752,090      | (1,452,773)                                             |
| Transfers out                                                | (7,083,200)     | (7,083,200)   | (7,096,762)    | (13,562)                                                |
| Total other financing<br>sources (uses)                      | (4,858,200)     | (228,337)     | (1,651,754)    | (1,423,417)                                             |
| <b>Net Change in Fund Balances</b>                           | 1,982,151       | (36,451,932)  | 6,443,326      | 42,895,258                                              |
| <b>Fund Balances, Beginning of Year</b>                      | 105,771,428     | 105,771,428   | 105,771,428    | -                                                       |
| <b>Fund Balances, End of Year</b>                            | \$ 107,753,579  | \$ 69,319,496 | \$ 112,214,754 | \$ 42,895,258                                           |

**City of Bentonville, Arkansas**  
**Budgetary Comparison Schedule -**  
**Street Fund**  
**Year Ended December 31, 2024**

|                                                              | Original Budget      | Final Budget        | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------|----------------------|---------------------|----------------------|---------------------------------------------------------|
| <b>Revenues</b>                                              |                      |                     |                      |                                                         |
| Property tax                                                 | \$ 2,680,238         | \$ 2,680,238        | \$ 3,077,073         | \$ 396,835                                              |
| State turnback                                               | 4,825,599            | 4,825,599           | 4,474,740            | (350,859)                                               |
| Impact fees                                                  | 2,700,000            | 2,700,000           | -                    | (2,700,000)                                             |
| Charges for services                                         | 31,000               | 31,000              | 41,406               | 10,406                                                  |
| Licenses and permits                                         | 12,000               | 12,000              | 9,940                | (2,060)                                                 |
| Grants                                                       | -                    | 3,004,464           | 7,910,916            | 4,906,452                                               |
| Contributions                                                | -                    | 3,159,295           | 2,182,625            | (976,670)                                               |
| Interest income                                              | 535,469              | 535,469             | 587,627              | 52,158                                                  |
| Miscellaneous                                                | 1,725,000            | 1,725,000           | 509,727              | (1,215,273)                                             |
| Total revenues                                               | 12,509,306           | 18,673,065          | 18,794,054           | 120,989                                                 |
| <b>Expenditures</b>                                          |                      |                     |                      |                                                         |
| Current:                                                     |                      |                     |                      |                                                         |
| General government                                           | 755,963              | 755,963             | -                    | 755,963                                                 |
| Public safety                                                | 646,990              | 646,990             | -                    | 646,990                                                 |
| Recreation                                                   | 858,287              | 858,287             | -                    | 858,287                                                 |
| Street department                                            | 5,190,774            | 5,477,048           | 4,519,405            | 957,643                                                 |
| Library                                                      | 117,093              | 117,093             | -                    | 117,093                                                 |
| Capital outlay                                               | 1,670,000            | 14,629,424          | 12,492,643           | 2,136,781                                               |
| Bond issue costs                                             | -                    | -                   | 1,835                | (1,835)                                                 |
| Total expenditures                                           | 9,239,107            | 22,484,805          | 17,013,883           | 5,470,922                                               |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | 3,270,199            | (3,811,740)         | 1,780,171            | 5,591,911                                               |
| <b>Other Financing Sources (Uses)</b>                        |                      |                     |                      |                                                         |
| Sale of capital assets                                       | -                    | -                   | 5,250                | 5,250                                                   |
| Transfers out                                                | (2,225,000)          | (4,204,863)         | -                    | 4,204,863                                               |
| Total other financing<br>sources (uses)                      | (2,225,000)          | (4,204,863)         | 5,250                | 4,210,113                                               |
| <b>Net Change in Fund Balances</b>                           | 1,045,199            | (8,016,603)         | 1,785,421            | 9,802,024                                               |
| <b>Fund Balances, Beginning of Year</b>                      | 9,556,462            | 9,556,462           | 9,556,462            | -                                                       |
| <b>Fund Balances, End of Year</b>                            | <u>\$ 10,601,661</u> | <u>\$ 1,539,859</u> | <u>\$ 11,341,883</u> | <u>\$ 9,802,024</u>                                     |

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**City of Bentonville, Arkansas**  
**Retiree Healthcare Plan**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**

| <b>Total OPEB Liability</b>                                      | <b>2024</b>         | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost                                                     | \$ 702,803          | \$ 647,402          | \$ 672,862          | \$ 630,525          | \$ 440,363          | \$ 350,443          | \$ 340,441          |
| Interest                                                         | 385,541             | 368,692             | 196,178             | 161,312             | 222,061             | 227,467             | 185,817             |
| Change in benefit terms                                          | (192,580)           | -                   | -                   | -                   | -                   | -                   | -                   |
| Differences between expected and actual experience               | 77,821              | (520,443)           | (791,947)           | 543,199             | (1,063,276)         | 257,644             | 145,729             |
| Changes of assumptions or other inputs                           | (339,321)           | 739,415             | (31,045)            | (113,335)           | 1,175,106           | 540,922             | (401,643)           |
| Benefit payments                                                 | (220,896)           | (191,819)           | (179,686)           | (128,782)           | (204,440)           | (173,719)           | (122,045)           |
| Net change in total OPEB liability                               | 413,368             | 1,043,247           | (133,638)           | 1,092,919           | 569,814             | 1,202,757           | 148,299             |
| Total OPEB liability – beginning                                 | 9,045,092           | 8,001,845           | 8,135,483           | 7,042,564           | 6,472,750           | 5,269,993           | 5,121,694           |
| Total OPEB liability – ending                                    | <u>\$ 9,458,460</u> | <u>\$ 9,045,092</u> | <u>\$ 8,001,845</u> | <u>\$ 8,135,483</u> | <u>\$ 7,042,564</u> | <u>\$ 6,472,750</u> | <u>\$ 5,269,993</u> |
| Covered-employee payroll                                         | \$ 46,241,368       | \$ 41,895,767       | \$ 37,551,609       | \$ 33,093,429       | \$ 28,116,711       | \$ 27,868,664       | \$ 24,500,575       |
| Total OPEB liability as a percentage of covered employee payroll | 20.5%               | 21.6%               | 21.3%               | 24.6%               | 25.0%               | 23.2%               | 21.5%               |

**Notes to Schedule:**

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 75, the City will only present available information.

**Change in Assumptions:**

|                              | <b>2024</b>                                        | <b>2023</b>                                      | <b>2022</b>                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------|----------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discount Rate                | 4.28%                                              | 4.00%                                            | 4.31%                                                                                                                                                                                                                                                                                                                                                             |
| Health Care Cost Trend Rates | 7.5% for 2024 decreasing annually to 4.5% for 2031 | 8% for 2024 decreasing annually to 4.5% for 2031 | 7.5% for 2023 decreasing annually to 4.5% for 2029                                                                                                                                                                                                                                                                                                                |
| Mortality                    |                                                    |                                                  | General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021<br>Police Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021 Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality fully generational using Scale MP-2021 |

**City of Bentonville, Arkansas**  
**Retiree Healthcare Plan**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**  
**(Continued)**

|                              | <u>2021</u>                                                                   | <u>2020</u>                                                                                                                                                                                                                                                                                                                                                       | <u>2019</u>                                                                   |
|------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Discount Rate                | 2.25%                                                                         | 2.12%                                                                                                                                                                                                                                                                                                                                                             | 3.26%                                                                         |
| Health Care Cost Trend Rates | 7.5% for 2022 decreasing annually to 4.5% for 2028                            | 7% for 2021 decreasing annually to 4.5% for 2026                                                                                                                                                                                                                                                                                                                  | 7.5% for 2020 decreasing annually to 4.5% for 2026                            |
| Mortality                    |                                                                               | General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020<br>Police Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality fully generational using Scale MP-2020 | RPH-2019 Total Dataset Mortality Table fully Generational using Scale MP-2019 |
|                              | <u>2018</u>                                                                   |                                                                                                                                                                                                                                                                                                                                                                   |                                                                               |
| Discount Rate                | 4.11%                                                                         |                                                                                                                                                                                                                                                                                                                                                                   |                                                                               |
| Health Care Cost Trend Rates | 8% for 2019 decreasing annually to 4.5% for 2026                              |                                                                                                                                                                                                                                                                                                                                                                   |                                                                               |
| Mortality                    | RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 |                                                                                                                                                                                                                                                                                                                                                                   |                                                                               |

# City of Bentonville, Arkansas

## Agent Multiple-Employer Plan

### Schedule of Changes in the City's Net Pension Asset and Related Ratios – FRPF

| Fiscal Year Ended December 31,                                                | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
|-------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Pension Liability</b>                                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Interest                                                                      | \$ 401,158            | \$ 416,969            | \$ 414,163            | \$ 411,597            | \$ 408,662            | \$ 405,456            | \$ 429,845            | \$ 437,660            | \$ 466,923            | \$ 398,688            |
| Difference between actual and expected experience                             | 64,908                | (253,800)             | 69,686                | 63,704                | 58,343                | 51,252                | (192,297)             | 219,904               | (60,276)              | 804,333               |
| Assumption changes                                                            | -                     | (142,095)             | 5,841                 | -                     | -                     | -                     | 417,704               | -                     | 132,682               | -                     |
| Benefit payments                                                              | (435,411)             | (453,693)             | (445,527)             | (431,749)             | (418,394)             | (403,429)             | (415,392)             | (1,101,418)           | (355,876)             | (344,268)             |
| <b>Net Change in Total Pension Liability</b>                                  | <b>30,655</b>         | <b>(432,619)</b>      | <b>44,163</b>         | <b>43,552</b>         | <b>48,611</b>         | <b>53,279</b>         | <b>239,860</b>        | <b>(443,854)</b>      | <b>183,453</b>        | <b>858,753</b>        |
| <b>Total Pension Liability – Beginning</b>                                    | <b>5,750,926</b>      | <b>6,183,545</b>      | <b>6,139,382</b>      | <b>6,095,830</b>      | <b>6,047,219</b>      | <b>5,993,940</b>      | <b>5,754,080</b>      | <b>6,197,934</b>      | <b>6,014,481</b>      | <b>5,155,728</b>      |
| <b>Total Pension Liability – Ending (a)</b>                                   | <b>\$ 5,781,581</b>   | <b>\$ 5,750,926</b>   | <b>\$ 6,183,545</b>   | <b>\$ 6,139,382</b>   | <b>\$ 6,095,830</b>   | <b>\$ 6,047,219</b>   | <b>\$ 5,993,940</b>   | <b>\$ 5,754,080</b>   | <b>\$ 6,197,934</b>   | <b>\$ 6,014,481</b>   |
| <b>Plan Fiduciary Net Position</b>                                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Contributions – employer                                                      | \$ 19,102             | \$ 19,799             | \$ 18,390             | \$ 17,048             | \$ 17,254             | \$ 13,795             | (62,065)              | \$ 21,017             | \$ 16,427             | \$ 15,135             |
| Contributions – employee                                                      | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 37,908                | -                     | -                     |
| Net investment income                                                         | 1,186,840             | (1,402,468)           | 1,413,938             | 1,037,393             | 1,314,415             | (218,852)             | 993,670               | 441,257               | 14,939                | 581,099               |
| Local plan administrative mergers                                             | -                     | -                     | -                     | -                     | -                     | 10                    | -                     | -                     | -                     | -                     |
| Benefit payments                                                              | (435,411)             | (453,693)             | (445,527)             | (431,749)             | (418,394)             | (403,429)             | (415,392)             | (1,101,418)           | (355,876)             | (344,268)             |
| Administrative Expense                                                        | (9,945)               | (9,215)               | (11,735)              | (12,830)              | (11,560)              | (14,510)              | (12,739)              | (14,488)              | (18,669)              | (13,808)              |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | <b>760,586</b>        | <b>(1,845,577)</b>    | <b>975,066</b>        | <b>609,862</b>        | <b>901,715</b>        | <b>(622,986)</b>      | <b>503,474</b>        | <b>(615,724)</b>      | <b>(343,179)</b>      | <b>238,158</b>        |
| <b>Plan Fiduciary Net Position – Beginning</b>                                | <b>7,894,974</b>      | <b>9,740,551</b>      | <b>8,765,485</b>      | <b>8,155,623</b>      | <b>7,253,908</b>      | <b>7,876,894</b>      | <b>7,373,420</b>      | <b>7,989,144</b>      | <b>8,332,323</b>      | <b>8,094,165</b>      |
| <b>Plan Fiduciary Net Position – Ending (b)</b>                               | <b>\$ 8,655,560</b>   | <b>\$ 7,894,974</b>   | <b>\$ 9,740,551</b>   | <b>\$ 8,765,485</b>   | <b>\$ 8,155,623</b>   | <b>\$ 7,253,908</b>   | <b>\$ 7,876,894</b>   | <b>\$ 7,373,420</b>   | <b>\$ 7,989,144</b>   | <b>\$ 8,332,323</b>   |
| <b>City's Net Pension Asset (a) - (b)</b>                                     | <b>\$ (2,873,979)</b> | <b>\$ (2,144,048)</b> | <b>\$ (3,557,006)</b> | <b>\$ (2,626,103)</b> | <b>\$ (2,059,793)</b> | <b>\$ (1,206,689)</b> | <b>\$ (1,882,954)</b> | <b>\$ (1,619,340)</b> | <b>\$ (1,791,210)</b> | <b>\$ (2,317,842)</b> |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | <b>149.71%</b>        | <b>137.28%</b>        | <b>157.52%</b>        | <b>142.77%</b>        | <b>133.79%</b>        | <b>119.95%</b>        | <b>131.41%</b>        | <b>128.14%</b>        | <b>128.90%</b>        | <b>138.54%</b>        |
| <b>Covered Payroll</b>                                                        | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           |
| <b>City's Net Pension Asset as a Percentage of Covered Payroll</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            | <b>N/A</b>            |

Note: Information in this schedule has been determined as of the measurement date (December 31 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

#### Change in Assumptions:

- (1) In 2018, the investment rate of return changed from 7.75% in 2017 to 7.00% in 2018.
- (2) In 2016; the inflation rate decreased from 3.00% in 2015 to 2.75% in 2016; the investment rate of return decreased from 8.00% in 2015 to 7.75% in 2016; and the projected salary increases decreased from 4.00% in 2015 to 3.75% in 2016.
- (3) In 2023, the investment rate of return changed from 7.00% to 7.25%

**City of Bentonville, Arkansas**  
**Agent Multiple-Employer Plan**  
**Schedule of Contributions – FRPF**

| <b>FY Ended<br/>December 31,</b> | <b>Actuarially<br/>Determined<br/>Contribution<br/>(ADC)</b> | <b>Actual<br/>Contribution</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Actual<br/>Contribution as<br/>a % of Covered<br/>Payroll</b> |
|----------------------------------|--------------------------------------------------------------|--------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------------------------|
| <b>2015</b>                      | \$ -                                                         | \$ 16,427                      | \$ (16,427)                                     | \$ -                       | N/A                                                              |
| <b>2016</b>                      | -                                                            | 21,017                         | (21,017)                                        | -                          | N/A                                                              |
| <b>2017</b>                      | -                                                            | (62,065)                       | 62,065                                          | -                          | N/A                                                              |
| <b>2018</b>                      | -                                                            | 13,795                         | (13,795)                                        | -                          | N/A                                                              |
| <b>2019</b>                      | -                                                            | 17,254                         | (17,254)                                        | -                          | N/A                                                              |
| <b>2020</b>                      | -                                                            | -                              | -                                               | -                          | N/A                                                              |
| <b>2021</b>                      | -                                                            | 18,390                         | (18,390)                                        | -                          | N/A                                                              |
| <b>2022</b>                      | -                                                            | 19,799                         | (19,799)                                        | -                          | N/A                                                              |
| <b>2023</b>                      | -                                                            | 19,102                         | (19,102)                                        | -                          | N/A                                                              |
| <b>2024</b>                      | -                                                            | 19,102                         | (19,102)                                        | -                          | N/A                                                              |

Key Assumptions for ADC:

|                           |                                                                                                                                                                                                                                                                                                         |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost Method               | Entry Age Normal                                                                                                                                                                                                                                                                                        |
| Amortization Method       | Level Percentage of Payroll, Closed                                                                                                                                                                                                                                                                     |
| Remaining Amortization    | 7 Years beginning January 1, 2023                                                                                                                                                                                                                                                                       |
| Asset Valuation           | 5 Year Smoothed Fair Value, 20% Corridor                                                                                                                                                                                                                                                                |
| Inflation                 | 2.25%                                                                                                                                                                                                                                                                                                   |
| Salary Increases          | 3.00%                                                                                                                                                                                                                                                                                                   |
| Investment Rate of Return | 7.25%                                                                                                                                                                                                                                                                                                   |
| Retirement Age            | Experience-based table of rates that are specific to the type of eligibility benefits. Last updated for the 2021 pursuant to an experience study of the period 2017–2021.                                                                                                                               |
| Mortality                 | Pub-2012 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted fully for generational mortality improvements using Scale MP-2020. |

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

**City of Bentonville, Arkansas**  
**Cost-Sharing Plan**  
**Schedule of the City's Proportionate Share of the Net Pension Liability – LOPFI**

| <b>City Fiscal Year Ended<br/>December 31,</b>                                                 | <b>2024</b>   | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>  |
|------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| City's proportion of the net pension liability                                                 | 3.27688%      | 3.25522%      | 3.11353%      | 3.01562%      | 2.85581%      | 2.73423%      | 2.71200%      | 2.64262%      | 2.54026%      | 2.472571%    |
| City's proportion share of the net pension liability                                           | \$ 32,799,486 | \$ 34,755,709 | \$ 15,733,093 | \$ 20,731,920 | \$ 22,068,039 | \$ 24,673,203 | \$ 19,271,356 | \$ 15,076,984 | \$ 13,330,612 | \$ 9,023,336 |
| City's covered payroll                                                                         | \$ 15,726,545 | \$ 13,436,352 | \$ 12,065,543 | \$ 11,348,676 | \$ 10,212,486 | \$ 9,330,536  | \$ 8,798,931  | \$ 8,004,466  | \$ 7,951,238  | \$ 6,953,609 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 208.56%       | 258.67%       | 130.40%       | 182.68%       | 216.09%       | 264.44%       | 219.02%       | 188.36%       | 167.65%       | 129.76%      |
| Plan fiduciary net position as a percentage of the total pension liability                     | 73.50%        | 69.07%        | 84.67%        | 77.68%        | 73.03%        | 66.09%        | 71.48%        | 72.87%        | 72.90%        | 79.14%       |

Note: Information in this schedule has been determined as of the measurement date (December 31 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

**City of Bentonville, Arkansas**  
**Cost-Sharing Plan**  
**Schedule of City Contributions – LOPFI**

| <b>City Fiscal Year Ended December 31,</b>                           | <b>2024</b>   | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 3,962,744  | \$ 3,774,349  | \$ 3,156,487  | \$ 2,837,067  | \$ 2,676,967  | \$ 2,399,934  | \$ 2,135,877 | \$ 1,940,202 | \$ 1,684,557 | \$ 1,639,457 |
| Contributions in relation to the contractually required contribution | (3,962,744)   | (3,774,349)   | (3,156,487)   | (2,837,067)   | (2,676,967)   | (2,399,934)   | (2,135,877)  | (1,940,202)  | (1,684,557)  | (1,639,457)  |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| City's covered payroll                                               | \$ 17,899,524 | \$ 15,726,454 | \$ 13,436,352 | \$ 12,065,543 | \$ 11,348,676 | \$ 10,212,486 | \$ 9,330,536 | \$ 8,798,931 | \$ 8,004,748 | \$ 7,951,239 |
| Contributions as a percentage of covered payroll                     | 22.14%        | 24.00%        | 23.49%        | 23.51%        | 23.59%        | 23.50%        | 22.89%       | 22.05%       | 21.04%       | 20.62%       |

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

# City of Bentonville, Arkansas

## Cost-Sharing Plan

### Schedule of the City's Proportionate Share of the Net Pension Liability – APERS

| City Fiscal Year Ended December 31,                                                            | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability                                                 | 1.21054722%   | 1.15346255%   | 1.09793962%   | 1.02703553%   | 0.99458979%   | 0.98044303%   | 0.92204720%   | 0.89669761%   | 0.82968373%   | 0.80078759%   |
| City's proportion share of the net pension liability                                           | \$ 30,119,891 | \$ 33,614,051 | \$ 29,604,661 | \$ 7,896,181  | \$ 28,480,919 | \$ 23,653,470 | \$ 20,339,762 | \$ 23,171,926 | \$ 19,840,626 | \$ 14,748,372 |
| City's covered payroll                                                                         | \$ 25,060,593 | \$ 25,323,988 | \$ 22,860,560 | \$ 20,363,796 | \$ 19,310,426 | \$ 18,020,449 | \$ 17,225,762 | \$ 16,818,306 | \$ 14,261,744 | \$ 14,277,688 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 120.19%       | 132.74%       | 129.50%       | 38.78%        | 147.49%       | 131.26%       | 118.08%       | 137.78%       | 139.12%       | 103.30%       |
| Plan fiduciary net position as a percentage of the total pension liability                     | 81.61%        | 77.94%        | 78.31%        | 93.57%        | 75.38%        | 78.55%        | 79.59%        | 75.65%        | 75.50%        | 80.39%        |

Note: Information in this schedule has been determined as of the measurement date (June 30 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

# City of Bentonville, Arkansas

## Cost-Sharing Plan

### Schedule of City Contributions -- APERS

| <u>City Fiscal Year Ended December 31,</u>                            | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        |
|-----------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution                                   | \$ 3,962,744       | \$ 4,253,232       | \$ 3,642,916       | \$ 3,289,292       | \$ 3,037,722       | \$ 2,875,787       | \$ 2,636,432       | \$ 2,444,877       | \$ 2,260,596       | \$ 2,224,163       |
| Contributions in relation to the<br>actuarially required contribution | <u>(3,962,744)</u> | <u>(4,253,232)</u> | <u>(3,642,916)</u> | <u>(3,289,292)</u> | <u>(3,037,722)</u> | <u>(2,875,787)</u> | <u>(2,636,432)</u> | <u>(2,444,877)</u> | <u>(2,260,596)</u> | <u>(2,224,163)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| City's covered payroll                                                | \$ 25,866,485      | \$ 26,418,269      | \$ 23,778,823      | \$ 21,470,574      | \$ 19,828,470      | \$ 18,771,454      | \$ 17,534,429      | \$ 16,714,991      | \$ 15,590,294      | \$ 15,208,940      |
| Contributions as a percentage of<br>covered payroll                   | 15.32%             | 16.10%             | 15.32%             | 15.32%             | 15.32%             | 15.32%             | 15.04%             | 14.63%             | 14.50%             | 14.62%             |

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

# City of Bentonville, Arkansas

## Notes to Required Supplementary Information

### December 31, 2024

#### ***Budget and Budgetary Accounting***

The City Council (the Council) adheres to the following procedures in establishing the budgets reflected in the accompanying general purpose financial statements:

1. Prior to December 1, the Mayor and Finance Director submit to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to February 1, the budget is legally enacted through approval by the Council.
4. Budget for the general, street and federal grant funds are adopted on a basis consistent, in all material respects, with accounting principles generally accepted in the United States of America (GAAP).

Budgeted revenues and expenditures represented the formal operating budget adopted by the City Council, as amended by the Council during the year. The legal level of budgetary control is maintained at the fund level for all funds. Management control is maintained at the department level. Budgeted amounts, other than ongoing capital projects not spent by year-end, lapse. Expenditures greater than budgeted amounts must be approved by the Council by voting to amend the budget.

#### ***Pensions***

##### ***LOPFI***

##### **Economic Assumptions**

|                                |                                            |
|--------------------------------|--------------------------------------------|
| Investment Rate of Return      | 7.25%                                      |
| Price Inflation                | 2.25%                                      |
| Pay Increase Assumptions       | Ranges from 3.50 to 18.00%                 |
| Wage inflation                 | 3.00%                                      |
| Total Number of Active Members | Assumed to continue at the present number. |

##### ***APERS***

##### **Economic Assumptions**

|                                |                                                                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Investment Rate of Return      | 7.15%                                                                                                                               |
| Pay Increase Assumptions       | Ranges from 3.25% to 9.85% depending on service years, including 3.25% for wage inflation.                                          |
| Total Active Member Payroll    | Assumed to increase 3.25% per year, which is the portion of the individual pay increase assumptions attributable to wage inflation. |
| Total Number of Active Members | Assumed to continue at the present number.                                                                                          |

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**Combining and Individual Fund  
Financial Statements and Schedules**

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**City of Bentonville, Arkansas**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**December 31, 2024**

|                                      | Impact &<br>Capacity       | Court                    | Federal Grant<br>Fund    | Total<br>Nonmajor<br>Governmental<br>Funds |
|--------------------------------------|----------------------------|--------------------------|--------------------------|--------------------------------------------|
| <b>Assets</b>                        |                            |                          |                          |                                            |
| Accounts receivable:                 |                            |                          |                          |                                            |
| Grants and other                     | \$ -                       | \$ 5,725                 | \$ -                     | \$ 5,725                                   |
| Restricted assets                    |                            |                          |                          |                                            |
| Cash and cash equivalents            | <u>9,065,029</u>           | <u>290,555</u>           | <u>407,474</u>           | <u>9,763,058</u>                           |
| Total assets                         | <u><u>\$ 9,065,029</u></u> | <u><u>\$ 296,280</u></u> | <u><u>\$ 407,474</u></u> | <u><u>\$ 9,768,783</u></u>                 |
| <b>Liabilities and Fund Balances</b> |                            |                          |                          |                                            |
| <b>Liabilities:</b>                  |                            |                          |                          |                                            |
| Accounts payable                     | \$ -                       | \$ 128,550               | \$ 81,841                | \$ 210,391                                 |
| Due to other funds                   | 516,406                    | -                        | -                        | 516,406                                    |
| Due to other governments             | -                          | 167,730                  | -                        | 167,730                                    |
| Unearned revenues                    | <u>-</u>                   | <u>-</u>                 | <u>191,744</u>           | <u>191,744</u>                             |
| Total liabilities                    | <u>516,406</u>             | <u>296,280</u>           | <u>273,585</u>           | <u>1,086,271</u>                           |
| <b>Fund balances</b>                 |                            |                          |                          |                                            |
| Restricted                           |                            |                          |                          |                                            |
| New growth                           | 8,548,623                  | -                        | -                        | 8,548,623                                  |
| Assigned                             | <u>-</u>                   | <u>-</u>                 | <u>133,889</u>           | <u>133,889</u>                             |
| Total fund balances                  | <u>8,548,623</u>           | <u>-</u>                 | <u>133,889</u>           | <u>8,682,512</u>                           |
| Total liabilities and fund balances  | <u><u>\$ 9,065,029</u></u> | <u><u>\$ 296,280</u></u> | <u><u>\$ 407,474</u></u> | <u><u>\$ 9,768,783</u></u>                 |

**City of Bentonville, Arkansas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

|                                                   | Impact/Capacity<br>Fees    | Federal Grant<br>Fund    | Total Nonmajor<br>Governmental<br>Funds |
|---------------------------------------------------|----------------------------|--------------------------|-----------------------------------------|
| <b>Revenues</b>                                   |                            |                          |                                         |
| Impact fees                                       | \$ 2,461,928               | \$ -                     | \$ 2,461,928                            |
| Grants                                            | -                          | 841,831                  | 841,831                                 |
| Interest income                                   | 290,117                    | 20,483                   | 310,600                                 |
| Total revenues                                    | <u>2,752,045</u>           | <u>862,314</u>           | <u>3,614,359</u>                        |
| <b>Expenditures</b>                               |                            |                          |                                         |
| Current:                                          |                            |                          |                                         |
| General government                                | -                          | 59,190                   | 59,190                                  |
| Capital outlay                                    | -                          | 782,641                  | 782,641                                 |
| Total expenditures                                | <u>-</u>                   | <u>841,831</u>           | <u>841,831</u>                          |
| Excess of revenues over expenditures              | <u>2,752,045</u>           | <u>20,483</u>            | <u>2,772,528</u>                        |
| <b>Other Financing Sources (Uses)</b>             |                            |                          |                                         |
| Transfers in                                      | 13,562                     | -                        | 13,562                                  |
| Transfers out                                     | <u>(3,042,176)</u>         | <u>-</u>                 | <u>(3,042,176)</u>                      |
| Total other financing sources<br>(uses)           | <u>(3,028,614)</u>         | <u>-</u>                 | <u>(3,028,614)</u>                      |
| <b>Net Change in Fund Balances</b>                | (276,569)                  | 20,483                   | (256,086)                               |
| <b>Fund Balances at Beginning of Year</b>         | 8,825,192                  | -                        | 8,825,192                               |
| Change from major to nonmajor                     | <u>-</u>                   | <u>113,406</u>           | <u>113,406</u>                          |
| <b>Fund Balances, Beginning of Year, Restated</b> | <u>8,825,192</u>           | <u>113,406</u>           | <u>8,938,598</u>                        |
| <b>Fund Balances at End of Year</b>               | <u><u>\$ 8,548,623</u></u> | <u><u>\$ 133,889</u></u> | <u><u>\$ 8,682,512</u></u>              |

**City of Bentonville, Arkansas**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual -**  
**Debt Service Fund**  
**Year Ended December 31, 2024**

|                                                 | <b>Original<br/>Budget</b> | <b>Final Budget</b>  | <b>Actual</b>        | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|-------------------------------------------------|----------------------------|----------------------|----------------------|---------------------------------------------------------------------|
| <b>Revenues</b>                                 |                            |                      |                      |                                                                     |
| Sales tax                                       | \$ 20,386,302              | \$ 20,386,302        | \$ 20,853,236        | \$ 466,934                                                          |
| Interest income                                 | -                          | -                    | 536,333              | 536,333                                                             |
| Miscellaneous                                   | -                          | -                    | 1,104                | 1,104                                                               |
|                                                 | <u>20,386,302</u>          | <u>20,386,302</u>    | <u>21,390,673</u>    | <u>1,004,371</u>                                                    |
| <b>Total revenues</b>                           |                            |                      |                      |                                                                     |
|                                                 | <u>20,386,302</u>          | <u>20,386,302</u>    | <u>21,390,673</u>    | <u>1,004,371</u>                                                    |
| <b>Expenditures</b>                             |                            |                      |                      |                                                                     |
| Principal                                       | 18,790,587                 | 18,790,587           | 18,540,000           | 250,587                                                             |
| Interest                                        | 1,595,716                  | 1,595,716            | 3,415,866            | (1,820,150)                                                         |
| Bond issue costs                                | -                          | -                    | 950                  | (950)                                                               |
|                                                 | <u>20,386,303</u>          | <u>20,386,303</u>    | <u>21,956,816</u>    | <u>(1,570,513)</u>                                                  |
| <b>Total expenditures</b>                       |                            |                      |                      |                                                                     |
|                                                 | <u>20,386,303</u>          | <u>20,386,303</u>    | <u>21,956,816</u>    | <u>(1,570,513)</u>                                                  |
| <b>Deficiency of Revenues Over Expenditures</b> | <u>(1)</u>                 | <u>(1)</u>           | <u>(566,143)</u>     | <u>(566,142)</u>                                                    |
| <b>Net Change in Fund Balances</b>              | <u>(1)</u>                 | <u>(1)</u>           | <u>(566,143)</u>     | <u>(566,142)</u>                                                    |
| <b>Fund Balances at Beginning of Year</b>       | <u>11,191,216</u>          | <u>11,191,216</u>    | <u>11,191,216</u>    | <u>-</u>                                                            |
| <b>Fund Balances at End of Year</b>             | <u>\$ 11,191,215</u>       | <u>\$ 11,191,215</u> | <u>\$ 10,625,073</u> | <u>\$ (566,142)</u>                                                 |

**City of Bentonville, Arkansas**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual -**  
**Impact/Capacity Fees**  
**Year Ended December 31, 2024**

|                                           | <b>Original<br/>Budget</b> | <b>Final Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|-------------------------------------------|----------------------------|---------------------|---------------------|---------------------------------------------------------------------|
| <b>Revenues</b>                           |                            |                     |                     |                                                                     |
| Impact fees                               | \$ 7,595,000               | \$ 2,700,000        | \$ 2,461,928        | \$ (238,072)                                                        |
| Interest income                           | -                          | -                   | 290,117             | 290,117                                                             |
| Total revenues                            | 7,595,000                  | 2,700,000           | 2,752,045           | 52,045                                                              |
| <b>Expenditures</b>                       |                            |                     |                     |                                                                     |
| Public safety                             | 1,402,953                  | 1,402,953           | -                   | 1,402,953                                                           |
| Recreation                                | 858,287                    | 858,287             | -                   | 858,287                                                             |
| Library                                   | 117,093                    | 117,093             | -                   | 117,093                                                             |
| Total expenditures                        | 2,378,333                  | 2,378,333           | -                   | 2,378,333                                                           |
| <b>Other Financing Sources (Uses)</b>     |                            |                     |                     |                                                                     |
| Transfers in                              | -                          | -                   | 13,562              | 13,562                                                              |
| Transfers out                             | (1,230,000)                | (4,204,863)         | (3,042,176)         | 1,162,687                                                           |
| Net other financing sources (uses)        | (1,230,000)                | (4,204,863)         | (3,028,614)         | 1,176,249                                                           |
| <b>Net Change in Fund Balances</b>        | 3,986,667                  | (3,883,196)         | (276,569)           | 3,606,627                                                           |
| <b>Fund Balances at Beginning of Year</b> | 8,825,192                  | 8,825,192           | 8,825,192           | -                                                                   |
| <b>Fund Balances at End of Year</b>       | <u>\$ 12,811,859</u>       | <u>\$ 4,941,996</u> | <u>\$ 8,548,623</u> | <u>\$ 3,606,627</u>                                                 |

**City of Bentonville, Arkansas**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual -**  
**Federal Grant Fund**  
**Year Ended December 31, 2024**

|                                           | <b>Original<br/>Budget</b> | <b>Final Budget</b> | <b>Actual</b>     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|-------------------------------------------|----------------------------|---------------------|-------------------|---------------------------------------------------------------------|
| <b>Revenues</b>                           |                            |                     |                   |                                                                     |
| Grants                                    | \$ 1,036,576               | \$ 1,036,576        | \$ 841,831        | \$ (194,745)                                                        |
| Interest income                           | -                          | -                   | 20,483            | 20,483                                                              |
| Total revenues                            | 1,036,576                  | 1,036,576           | 862,314           | (174,262)                                                           |
| <b>Expenditures</b>                       |                            |                     |                   |                                                                     |
| General government                        | 174,283                    | 174,283             | 59,190            | 115,093                                                             |
| Capital outlay                            | 861,293                    | 861,293             | 782,641           | 78,652                                                              |
| Total expenditures                        | 1,035,576                  | 1,035,576           | 841,831           | 193,745                                                             |
| <b>Net Change in Fund Balances</b>        | 1,000                      | 1,000               | 20,483            | 19,483                                                              |
| <b>Fund Balances at Beginning of Year</b> | 113,406                    | 113,406             | 113,406           | -                                                                   |
| <b>Fund Balances at End of Year</b>       | <u>\$ 114,406</u>          | <u>\$ 114,406</u>   | <u>\$ 133,889</u> | <u>\$ 19,483</u>                                                    |

**City of Bentonville, Arkansas**  
**Combining Statement of Revenues and Expenses -**  
**Enterprise Fund**  
**Year Ended December 31, 2024**

|                                                         | Electric             | Water             | Wastewater          | Sanitation        | Support<br>Services and<br>Other | Total                |
|---------------------------------------------------------|----------------------|-------------------|---------------------|-------------------|----------------------------------|----------------------|
| <b>Operating Revenues</b>                               |                      |                   |                     |                   |                                  |                      |
| Charges for services                                    | \$ 85,081,071        | \$ 16,102,544     | \$ 19,553,627       | \$ 8,080,987      | \$ 956,913                       | \$ 129,775,142       |
| Other, net                                              | 68,349               | 26,782            | 2,327               | -                 | 42,807                           | 140,265              |
| Total operating revenues                                | 85,149,420           | 16,129,326        | 19,555,954          | 8,080,987         | 999,720                          | 129,915,407          |
| <b>Operating Expenses</b>                               |                      |                   |                     |                   |                                  |                      |
| Salaries and fringe benefits                            | 8,654,018            | 3,680,384         | 4,631,116           | -                 | 1,998,776                        | 18,964,294           |
| Contract purchases                                      | 58,417,631           | 12,165,668        | 6,006,731           | 7,355,992         | -                                | 83,946,022           |
| Maintenance                                             | (246,156)            | 1,226,357         | 31,304              | 636               | 28,785                           | 1,040,926            |
| Depreciation and amortization                           | 5,114,433            | 1,946,227         | 2,309,893           | -                 | 628,935                          | 10,100,025           |
| Materials and supplies                                  | 222,556              | 226,100           | 942,002             | -                 | 414,282                          | 1,804,940            |
| Other services and charges                              | 4,906,509            | 1,407,371         | 1,935,736           | 55,065            | 2,604,341                        | 10,909,022           |
| Total operating expenses                                | 77,068,991           | 20,652,107        | 15,856,782          | 7,411,693         | 5,675,119                        | 126,765,229          |
| <b>Operating Income (Loss)</b>                          | 8,080,429            | (4,522,781)       | 3,699,172           | 669,294           | (4,675,399)                      | 3,150,178            |
| <b>Nonoperating Income (Expenses)</b>                   |                      |                   |                     |                   |                                  |                      |
| Interest income                                         | 1,193,461            | 152,325           | 90,713              | 22,921            | -                                | 1,459,420            |
| Investment income                                       | 309,002              | 81,795            | 40,897              | 22,721            | -                                | 454,415              |
| Bond interest and fiscal agent charges                  | (149,300)            | (54,109)          | (63,092)            | -                 | -                                | (266,501)            |
| Gain on sale of capital assets                          | -                    | 77,084            | 45,530              | -                 | -                                | 122,614              |
| Grants                                                  | -                    | 662,914           | 101,015             | -                 | -                                | 763,929              |
| Net non-operating revenues (expenses)                   | 1,353,163            | 920,009           | 215,063             | 45,642            | -                                | 2,533,877            |
| <b>Income (Loss) Before Contributions and Transfers</b> | 9,433,592            | (3,602,772)       | 3,914,235           | 714,936           | (4,675,399)                      | 5,684,055            |
| Capital contributions                                   | -                    | -                 | -                   | -                 | -                                | 6,081,007            |
| Developer funded infrastructure revenue                 | 2,598,002            | 136,835           | 11,883              | -                 | -                                | 2,746,720            |
| <b>Transfers in</b>                                     | -                    | 3,730,569         | 3,642,717           | -                 | -                                | 7,373,286            |
| <b>Change in Net Position</b>                           | <u>\$ 12,031,594</u> | <u>\$ 264,632</u> | <u>\$ 7,568,835</u> | <u>\$ 714,936</u> | <u>\$ (4,675,399)</u>            | <u>\$ 21,885,068</u> |

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## ***Statistical Section***

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# City of Bentonville, Arkansas

## Statistical Section

This section of the City of Bentonville, Arkansas annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information reflects about the City's overall financial health.

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**City of Bentonville, Arkansas**  
**Net Position by Component**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 1**

|                                             | <b>2024</b>                  | <b>2023</b>                  | <b>2022</b>                  | <b>2021</b>                  | <b>2020</b>                  | <b>2019</b>                  | <b>2018</b>                  | <b>2017</b>                  | <b>2016</b>                  | <b>2015</b>                  |
|---------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Governmental activities                     |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Net investments in capital assets           | \$ 443,943,355               | \$ 385,756,761               | \$ 334,555,966               | \$ 293,728,622               | \$ 279,366,430               | \$ 252,689,293               | \$ 232,185,202               | \$ 214,744,281               | \$ 195,975,422               | \$ 177,894,726               |
| Restricted                                  | 42,475,960                   | 35,809,709                   | 35,980,792                   | 36,106,223                   | 26,232,902                   | 21,881,884                   | 20,794,051                   | 19,818,040                   | 16,800,936                   | 20,714,460                   |
| Unrestricted                                | <u>72,264,692</u>            | <u>74,261,277</u>            | <u>53,088,305</u>            | <u>41,607,804</u>            | <u>29,922,922</u>            | <u>34,860,246</u>            | <u>32,844,983</u>            | <u>34,279,668</u>            | <u>27,397,280</u>            | <u>24,192,710</u>            |
| Total governmental activities net position  | <u><u>\$ 558,684,007</u></u> | <u><u>\$ 495,827,747</u></u> | <u><u>\$ 423,625,063</u></u> | <u><u>\$ 371,442,649</u></u> | <u><u>\$ 335,522,254</u></u> | <u><u>\$ 309,431,423</u></u> | <u><u>\$ 285,824,236</u></u> | <u><u>\$ 268,841,989</u></u> | <u><u>\$ 240,173,638</u></u> | <u><u>\$ 222,801,896</u></u> |
| Business-type activities                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Net investments in capital assets           | \$ 314,071,877               | \$ 290,827,026               | \$ 283,389,764               | \$ 263,586,357               | \$ 208,392,983               | \$ 202,310,382               | \$ 196,638,875               | \$ 190,003,709               | \$ 177,477,573               | \$ 161,108,420               |
| Restricted                                  | 1,967,235                    | 1,755,865                    | 1,628,080                    | 1,904,920                    | 1,898,983                    | 2,100,656                    | 2,903,653                    | 2,869,343                    | 2,778,744                    | 6,416,985                    |
| Unrestricted                                | <u>47,241,801</u>            | <u>48,812,954</u>            | <u>43,530,428</u>            | <u>35,206,442</u>            | <u>48,801,741</u>            | <u>39,938,805</u>            | <u>32,421,266</u>            | <u>26,076,418</u>            | <u>28,427,793</u>            | <u>31,495,140</u>            |
| Total business-type activities net position | <u><u>\$ 363,280,913</u></u> | <u><u>\$ 341,395,845</u></u> | <u><u>\$ 328,548,272</u></u> | <u><u>\$ 300,697,719</u></u> | <u><u>\$ 259,093,707</u></u> | <u><u>\$ 244,349,843</u></u> | <u><u>\$ 231,963,794</u></u> | <u><u>\$ 218,949,470</u></u> | <u><u>\$ 208,684,110</u></u> | <u><u>\$ 199,020,545</u></u> |
| Primary government                          |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Net investments in capital assets           | \$ 758,015,232               | \$ 676,583,787               | \$ 617,945,730               | \$ 557,314,979               | \$ 487,759,413               | \$ 454,999,675               | \$ 428,824,077               | \$ 404,747,990               | \$ 373,452,995               | \$ 339,003,146               |
| Restricted                                  | 44,443,195                   | 37,565,574                   | 37,608,872                   | 38,011,143                   | 28,131,885                   | 23,982,540                   | 23,697,704                   | 22,687,383                   | 19,579,680                   | 27,131,445                   |
| Unrestricted                                | <u>119,506,493</u>           | <u>123,074,231</u>           | <u>96,618,733</u>            | <u>76,814,246</u>            | <u>78,724,663</u>            | <u>74,080,201</u>            | <u>65,266,249</u>            | <u>60,356,086</u>            | <u>55,825,073</u>            | <u>55,687,850</u>            |
| Total Primary government net position       | <u><u>\$ 921,964,920</u></u> | <u><u>\$ 837,223,592</u></u> | <u><u>\$ 752,173,335</u></u> | <u><u>\$ 672,140,368</u></u> | <u><u>\$ 594,615,961</u></u> | <u><u>\$ 553,062,416</u></u> | <u><u>\$ 517,788,030</u></u> | <u><u>\$ 487,791,459</u></u> | <u><u>\$ 448,857,748</u></u> | <u><u>\$ 421,822,441</u></u> |

**City of Bentonville, Arkansas**  
**Changes in Net Position**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 2**

|                                         | 2024            | 2023            | 2022            | 2021           | 2020            | 2019            | 2018            | 2017            | 2016            | 2015            |
|-----------------------------------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenses</b>                         |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Governmental activities                 |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| General government                      | \$ 20,628,670   | \$ 10,921,383   | \$ 9,243,680    | \$ 10,035,028  | \$ 10,764,635   | \$ 11,262,376   | \$ 8,199,550    | \$ 8,380,920    | \$ 7,838,616    | \$ 7,159,267    |
| Public safety                           | 53,444,341      | 52,327,094      | 41,609,816      | 29,274,828     | 30,483,681      | 27,161,452      | 24,926,207      | 22,219,435      | 19,978,800      | 18,757,747      |
| Recreation                              | 16,692,535      | 14,512,658      | 11,960,540      | 11,555,797     | 11,533,775      | 11,908,261      | 10,579,540      | 10,239,510      | 9,126,620       | 7,469,788       |
| Street department                       | 4,717,661       | 4,577,579       | 4,485,584       | 10,648,467     | 11,794,878      | 9,571,784       | 8,880,453       | 8,522,377       | 7,950,435       | 7,405,637       |
| Library                                 | 2,569,375       | 2,447,699       | 1,971,203       | 1,920,680      | 2,014,164       | 1,887,076       | 1,765,524       | 1,688,914       | 1,505,475       | 1,372,391       |
| CDBG                                    | 30,378          | -               | -               | -              | -               | -               | 184             | 7,147           | 46,716          | 81,941          |
| Interest on long-term debt              | 3,657,173       | 1,835,177       | 1,902,684       | 1,605,676      | 1,464,550       | 1,929,130       | 2,297,161       | 2,382,481       | 2,011,778       | 2,271,497       |
| Total governmental activities expenses  | 101,740,133     | 86,621,590      | 71,173,507      | 65,040,476     | 68,055,683      | 63,720,079      | 56,648,619      | 53,440,784      | 48,458,440      | 44,518,268      |
| Business-type activities                |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Electric                                | 77,315,647      | 75,682,962      | 80,291,013      | 89,019,330     | 59,723,199      | 60,093,455      | 59,685,788      | 60,318,959      | 59,066,230      | 54,031,667      |
| Water                                   | 24,877,297      | 22,246,339      | 18,017,830      | 15,903,270     | 14,973,111      | 13,871,208      | 13,511,887      | 12,918,078      | 11,859,994      | 8,297,783       |
| Wastewater                              | 11,748,793      | 11,068,758      | 10,820,503      | 9,914,062      | 10,096,434      | 9,615,262       | 9,372,920       | 9,255,683       | 8,396,479       | 10,428,470      |
| Sanitation                              | 7,411,693       | 6,777,840       | 6,239,748       | 5,788,402      | 5,406,151       | 5,109,186       | 4,624,380       | 4,197,480       | 3,891,758       | 3,614,926       |
| Support                                 | 5,880,824       | 4,847,777       | 4,719,484       | 3,901,263      | 3,480,455       | 3,521,239       | 3,456,000       | 3,745,763       | 3,268,751       | 3,172,472       |
| Total business-type activities expenses | 127,234,254     | 120,623,676     | 120,088,578     | 124,526,327    | 93,679,350      | 92,210,350      | 90,650,975      | 90,435,963      | 86,483,212      | 79,545,318      |
| Total primary government                | 228,974,387     | 207,245,266     | 191,262,085     | 189,566,803    | 161,735,033     | 155,930,429     | 147,299,594     | 143,876,747     | 134,941,652     | 124,063,586     |
| <b>Program Revenues</b>                 |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Governmental activities                 |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Charges for Services:                   |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| General government                      | 1,360,165       | 1,145,283       | 1,247,311       | 948,989        | 3,070,578       | 3,232,206       | 2,660,236       | 411,878         | 311,264         | 315,176         |
| Public safety                           | 3,815,091       | 4,503,657       | 4,169,164       | 4,521,886      | 3,302,059       | 2,762,512       | 2,537,032       | 1,778,596       | 1,527,968       | 1,260,881       |
| Recreation                              | 5,242,590       | 5,238,813       | 4,173,275       | 3,159,359      | 1,789,880       | 5,781,222       | 4,595,838       | 3,568,737       | 3,269,930       | 2,221,136       |
| Street department                       | 2,210,874       | 55,999          | 1,091,287       | 67,442         | 1,510,106       | 2,779,600       | 958,771         | 33,259          | 66,379          | 39,940          |
| Library                                 | 72,915          | 73,034          | 65,207          | 55,601         | 33,902          | 59,892          | 54,224          | 9               | 0               | -               |
| Operating grants and contribution       | 12,375,291      | 10,579,766      | 10,631,712      | 5,841,361      | 6,119,081       | 660,682         | 3,369,266       | 5,402,348       | 7,545,636       | 4,924,083       |
| Capital grants and contributions        | 37,080,417      | 19,337,604      | 9,518,939       | 4,610,177      | 12,434,429      | 5,050,131       | 5,513,785       | 5,909,573       | 4,795,540       | 3,436,893       |
| Total governmental activities revenue   | 62,157,343      | 40,934,156      | 30,896,895      | 19,204,815     | 28,260,035      | 20,326,245      | 19,689,152      | 17,104,400      | 17,516,717      | 12,198,109      |
| Business-type activities                |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Charges for Services:                   |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Electric                                | 85,081,195      | 83,690,683      | 89,258,344      | 78,828,519     | 68,092,503      | 70,130,577      | 68,494,676      | 66,007,652      | 62,539,169      | 58,752,316      |
| Water                                   | 16,787,270      | 14,824,390      | 14,224,969      | 12,938,735     | 12,872,797      | 11,074,498      | 11,603,640      | 10,625,553      | 10,185,022      | 9,659,435       |
| Wastewater                              | 19,531,815      | 17,435,937      | 16,124,255      | 15,010,162     | 14,688,256      | 14,493,682      | 13,870,399      | 13,339,032      | 13,280,744      | 14,457,739      |
| Sanitation                              | 8,080,987       | 7,440,926       | 6,970,297       | 6,312,831      | 5,799,564       | 5,397,459       | 4,969,400       | 4,591,853       | 4,261,907       | 3,959,322       |
| Support                                 | 1,201,621       | 1,150,338       | 1,128,968       | 985,394        | 295,496         | 633,512         | 987,220         | 929,561         | 887,122         | 875,159         |
| Operating grants and contribution       | 101,015         | 76,561          | 223,439         | 6,693,949      | 827,105         | -               | 150,122         | 11,978          | 137,426         | -               |
| Capital grants and contributions        | 8,827,727       | 7,127,117       | 19,816,950      | 44,814,654     | 4,459,130       | 2,432,863       | 3,150,912       | 4,158,642       | 1,203,774       | 852,198         |
| Total business-type activities          | 139,611,630     | 131,745,952     | 147,747,222     | 165,584,244    | 107,034,851     | 104,162,591     | 103,226,369     | 99,664,271      | 92,495,164      | 88,556,169      |
| Total primary government                | 201,768,973     | 172,680,108     | 178,644,117     | 184,789,059    | 135,294,886     | 124,488,836     | 122,915,521     | 116,768,671     | 110,011,881     | 100,754,278     |
| <b>Net (expense) revenue</b>            |                 |                 |                 |                |                 |                 |                 |                 |                 |                 |
| Governmental activities                 | (39,582,790)    | (45,687,434)    | (40,276,612)    | (45,835,661)   | (39,795,648)    | (44,438,594)    | (36,959,467)    | (36,336,384)    | (30,941,723)    | (32,320,159)    |
| Business-type activities                | 12,377,376      | 11,122,276      | 27,658,644      | 41,057,917     | 13,355,501      | 11,952,241      | 12,575,394      | 9,228,308       | 6,011,952       | 9,010,851       |
| Total – primary government              | \$ (27,205,414) | \$ (34,565,158) | \$ (12,617,968) | \$ (4,777,744) | \$ (26,440,147) | \$ (32,486,353) | \$ (24,384,073) | \$ (27,108,076) | \$ (24,929,771) | \$ (23,309,308) |

**City of Bentonville, Arkansas**  
**Changes in Net Position**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 2**

|                                                   | 2024           | 2023           | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|---------------------------------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General revenues and other changes in net pension |                |                |               |               |               |               |               |               |               |               |
| Governmental activities                           |                |                |               |               |               |               |               |               |               |               |
| Property taxes                                    | \$ 13,801,494  | \$ 13,794,453  | \$ 12,180,324 | \$ 10,845,680 | \$ 10,023,405 | \$ 9,417,015  | \$ 8,945,939  | \$ 8,282,975  | \$ 7,757,246  | \$ 7,248,656  |
| Sales taxes                                       | 69,363,687     | 75,243,592     | 61,618,775    | 53,399,550    | 43,279,794    | 39,654,947    | 35,758,719    | 37,651,052    | 30,117,108    | 29,458,234    |
| State turnback                                    | 6,750,189      | 6,717,895      | 6,635,017     | 5,194,343     | 3,050,062     | 3,041,751     | 2,941,195     | 2,853,363     | 2,756,242     | 2,705,936     |
| Franchise fees                                    | 6,499,636      | 6,017,352      | 6,060,409     | 5,704,169     | 5,506,867     | 5,368,133     | 5,653,246     | 5,351,361     | 4,788,966     | 4,599,120     |
| Impact fees                                       | 2,461,928      | 2,978,848      | 3,569,012     | 4,150,437     | 2,858,636     | -             | -             | -             | -             | -             |
| Investment income                                 | 9,752,145      | 7,284,673      | 746,865       | 215,131       | 735,402       | 1,178,951     | 820,608       | 225,496       | 61,952        | 38,664        |
| Gain on sales of capital assets                   | (1,109,559)    | 60,102         | 97,475        | 753,648       | 20,025        | 3,769,638     | 39,540        | (30,542)      | 271,855       | 157,987       |
| Intergovernmental                                 | -              | 4,351,055      | -             | -             | -             | -             | -             | -             | -             | -             |
| Transfers                                         | (7,373,286)    | (58,983)       | -             | -             | (951,000)     | -             | (121,350)     | -             | (2,704,809)   | (2,465,052)   |
| Other                                             | 2,292,816      | 1,501,131      | 1,235,068     | 1,493,098     | 1,363,288     | 4,570,586     | 2,724,433     | 10,671,030    | 5,264,905     | 5,993,549     |
| Total governmental activities                     | 102,439,050    | 117,890,118    | 92,142,945    | 81,756,056    | 65,886,479    | 67,001,021    | 56,762,330    | 65,004,735    | 48,313,465    | 47,737,094    |
| Business-type activities                          |                |                |               |               |               |               |               |               |               |               |
| Investment income (loss)                          | 1,913,835      | 1,587,934      | (217,137)     | 138,253       | 394,011       | 289,274       | 133,581       | 41,398        | 36,505        | 36,685        |
| Gain on sales of capital assets                   | 122,614        | 5,000          | -             | 69,585        | -             | 24,061        | -             | 272,526       | 634,635       | 246,613       |
| Transfers                                         | 7,373,286      | 58,983         | -             | -             | 951,000       | -             | 121,350       | -             | 2,704,809     | 2,465,052     |
| Other                                             | 97,957         | 73,380         | 409,046       | 338,257       | 43,352        | 120,473       | 813,873       | 723,128       | 275,664       | 1,438,958     |
| Total business-type activities                    | 9,507,692      | 1,725,297      | 191,909       | 546,095       | 1,388,363     | 433,808       | 1,068,804     | 1,037,052     | 3,651,613     | 4,187,308     |
| Total primary government                          | \$ 111,946,742 | \$ 119,615,415 | \$ 92,334,854 | \$ 82,302,151 | \$ 67,274,842 | \$ 67,434,829 | \$ 57,831,134 | \$ 66,041,787 | \$ 51,965,078 | \$ 51,924,402 |
| Total change in net position                      |                |                |               |               |               |               |               |               |               |               |
| Governmental activities                           | \$ 62,856,260  | \$ 72,202,684  | \$ 52,182,414 | \$ 35,920,395 | \$ 26,090,831 | \$ 23,607,187 | \$ 19,802,863 | \$ 28,668,351 | \$ 17,371,742 | \$ 15,416,935 |
| Business-type activities                          | 21,885,068     | 12,847,573     | 27,850,553    | 41,604,012    | 14,743,864    | 12,386,049    | 13,644,198    | 10,265,360    | 9,663,565     | 13,198,159    |
| Total – primary government                        | \$ 84,741,328  | \$ 85,050,257  | \$ 80,032,967 | \$ 77,524,407 | \$ 40,834,695 | \$ 35,993,236 | \$ 33,447,061 | \$ 38,933,711 | \$ 27,035,307 | \$ 28,615,094 |

**City of Bentonville, Arkansas**  
**Fund Balances – Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**

**Table 3**

|                                    | <u>2024</u>           | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           | <u>2019</u>           | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund                       |                       |                       |                       |                       |                       |                       |                      |                      |                      |                      |
| Nonspendable                       |                       |                       |                       |                       |                       |                       |                      |                      |                      |                      |
| Prepaid expenditures               | \$ 1,067,787          | \$ 1,237,319          | \$ 72,835             | \$ 613,590            | \$ 299,237            | \$ 259,023            | \$ 224,713           | \$ 195,064           | \$ 276,989           | \$ 79,621            |
| Restricted                         |                       |                       |                       |                       |                       |                       |                      |                      |                      |                      |
| General capital improvements       | 4,146,962             | 3,621,647             | 3,621,647             | 4,153,328             | 3,032,914             | 2,202,079             | 2,169,461            | -                    | 631,806              | 211,073              |
| Recreation                         | 5,574,173             |                       |                       |                       |                       |                       |                      | -                    |                      | -                    |
| Other                              | 46,763                | 45,862                | 44,723                | 86,059                | 86,016                | 85,035                | 457,250              | -                    | 358,250              | 84,490               |
| Unassigned                         | <u>101,379,069</u>    | <u>100,866,600</u>    | <u>81,621,966</u>     | <u>69,469,833</u>     | <u>59,487,999</u>     | <u>57,991,185</u>     | <u>51,638,842</u>    | <u>48,453,612</u>    | <u>38,160,366</u>    | <u>34,229,088</u>    |
| Total general fund                 | <u>112,214,754</u>    | <u>105,771,428</u>    | <u>85,361,171</u>     | <u>74,322,810</u>     | <u>62,906,166</u>     | <u>60,537,322</u>     | <u>54,490,266</u>    | <u>48,648,676</u>    | <u>39,427,411</u>    | <u>34,604,272</u>    |
| All other governmental funds       |                       |                       |                       |                       |                       |                       |                      |                      |                      |                      |
| Nonspendable                       |                       |                       |                       |                       |                       |                       |                      |                      |                      |                      |
| Prepaid expenditures               | 794                   | 648                   | 323                   | 323                   | 323                   | 642                   | 550                  | 1,225                | 1,275                | 1,336                |
| Restricted                         |                       |                       |                       |                       |                       |                       |                      |                      |                      |                      |
| Debt service                       | 10,625,073            | 11,191,216            | 7,329,718             | 10,381,088            | 7,956,798             | 7,399,511             | 8,285,673            | 8,486,688            | 5,475,760            | 5,346,817            |
| General capital improvements       | 44,518,590            | 96,251,643            | 64,091,890            | 86,701,116            | 17,972,203            | 21,530,144            | 23,649,222           | 29,016,117           | 1,927,588            | 7,405,024            |
| New growth                         | 8,548,623             | 8,825,192             | 7,843,017             | 10,687,938            | 7,142,595             | 5,978,017             | 5,572,099            | 4,480,877            | 1,599,901            | 2,811,377            |
| Street improvements                | 11,341,089            | 9,555,814             | 13,852,147            | 9,349,484             | 6,111,298             | 5,440,147             | 3,387,671            | 4,836,116            | 7,084,321            | 10,369,831           |
| Assigned                           | <u>133,889</u>        | <u>113,406.00</u>     | <u>26,434.00</u>      | <u>-</u>              | <u>-</u>              | <u>-</u>              | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Total all other governmental funds | <u>75,168,058</u>     | <u>125,937,919</u>    | <u>93,143,529</u>     | <u>117,119,949</u>    | <u>39,183,217</u>     | <u>40,348,461</u>     | <u>40,895,215</u>    | <u>46,821,023</u>    | <u>16,088,845</u>    | <u>25,934,385</u>    |
| Total governmental funds           | <u>\$ 187,382,812</u> | <u>\$ 231,709,347</u> | <u>\$ 178,504,700</u> | <u>\$ 191,442,759</u> | <u>\$ 102,089,383</u> | <u>\$ 100,885,783</u> | <u>\$ 95,385,481</u> | <u>\$ 95,469,699</u> | <u>\$ 55,516,256</u> | <u>\$ 60,538,657</u> |

**City of Bentonville, Arkansas**  
**Changes in Fund Balances – Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**

**Table 4**

|                                                            | 2024                   | 2023                 | 2022                   | 2021                 | 2020                | 2019                | 2018                | 2017                 | 2016                  | 2015                  |
|------------------------------------------------------------|------------------------|----------------------|------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                                            |                        |                      |                        |                      |                     |                     |                     |                      |                       |                       |
| Property Tax                                               | \$ 12,958,249          | \$ 12,164,459        | \$ 10,862,520          | \$ 9,991,396         | \$ 9,530,177        | \$ 8,973,078        | \$ 8,277,403        | \$ 7,852,968         | \$ 7,155,619          | \$ 7,082,789          |
| Sales Tax                                                  | 69,399,794             | 75,279,515           | 61,656,404             | 53,430,685           | 43,279,794          | 39,654,947          | 35,758,719          | 37,651,052           | 30,117,108            | 29,458,234            |
| State Turnback                                             | 6,750,189              | 6,717,895            | 6,635,017              | 5,194,343            | 4,155,203           | 4,007,424           | 3,843,744           | 2,853,363            | 2,756,242             | 2,705,936             |
| Impact Fees                                                | 2,461,928              | 2,978,848            | 3,569,012              | 4,150,437            | 2,858,636           | 4,119,459           | 2,391,272           | 3,325,568            | 1,861,178             | 2,380,435             |
| Franchise Fees                                             | 6,499,636              | 6,017,352            | 6,060,409              | 5,704,169            | 5,506,867           | 5,368,133           | 5,653,246           | 5,351,361            | 4,788,966             | 4,599,120             |
| Charges for services                                       | 8,481,327              | 8,062,968            | 6,583,991              | 4,995,247            | 3,916,496           | 6,459,222           | 6,099,014           | 5,691,285            | 5,143,334             | 3,837,133             |
| Fines and forfeitures                                      | 537,235                | 495,790              | 438,621                | 485,950              | 388,542             | 488,999             | 495,928             | 498,991              | 511,851               | 479,057               |
| Licenses and permits                                       | 1,585,026              | 2,501,254            | 2,356,101              | 2,735,351            | 1,960,842           | 1,819,605           | 1,752,257           | 1,370,136            | 1,322,683             | 1,133,957             |
| Grants                                                     | 34,931,233             | 10,664,621           | 10,755,156             | 5,384,052            | 7,352,436           | 2,662,127           | 4,214,651           | 4,412,572            | 7,433,636             | 4,858,773             |
| Contributions                                              | 8,650,381              | 13,642,135           | 2,630,861              | 518,580              | 462,068             | 280,763             | 1,126,912           | 2,212,553            | 3,594,921             | 1,251,106             |
| Interest                                                   | 9,054,911              | 6,610,850            | 1,420,733              | 220,895              | 539,721             | 1,178,951           | 820,608             | 225,370              | 61,952                | 38,677                |
| Investment income (loss)                                   | 697,234                | 673,823              | (673,868)              | (5,764)              | 195,681             | -                   | -                   | -                    | -                     | -                     |
| Intergovernmental                                          | -                      | 4,351,055            | 316,081                | -                    | -                   | -                   | -                   | -                    | -                     | -                     |
| Miscellaneous                                              | 2,243,637              | 1,140,237            | 801,788                | 1,853,126            | 1,903,661           | 1,282,201           | 816,284             | 5,441,919            | 1,569,948             | 1,979,200             |
| <b>Total revenues</b>                                      | <b>164,250,780</b>     | <b>151,300,802</b>   | <b>113,412,826</b>     | <b>94,658,467</b>    | <b>82,050,124</b>   | <b>76,294,909</b>   | <b>71,250,038</b>   | <b>76,887,138</b>    | <b>66,317,438</b>     | <b>59,804,417</b>     |
| <b>Expenditures</b>                                        |                        |                      |                        |                      |                     |                     |                     |                      |                       |                       |
| Current:                                                   |                        |                      |                        |                      |                     |                     |                     |                      |                       |                       |
| General government                                         | 17,381,672             | 10,726,626           | 9,559,743              | 9,031,264            | 8,682,730           | 7,515,045           | 6,833,349           | 6,694,940            | 6,663,862             | 6,385,081             |
| Public Safety                                              | 36,403,040             | 31,285,629           | 28,215,635             | 25,433,415           | 24,418,096          | 21,730,128          | 20,392,788          | 18,587,838           | 17,146,737            | 16,769,992            |
| Recreation                                                 | 15,431,354             | 13,151,075           | 11,439,318             | 10,558,612           | 9,077,193           | 9,582,308           | 8,507,693           | 8,163,683            | 7,252,049             | 6,009,329             |
| Street Department                                          | 4,519,405              | 4,325,578            | 4,390,627              | 3,741,945            | 3,970,303           | 2,520,796           | 2,665,820           | 2,553,724            | 2,467,752             | 2,376,856             |
| Library                                                    | 2,377,159              | 2,305,043            | 1,919,436              | 1,683,391            | 1,777,953           | 1,609,734           | 1,449,844           | 1,386,429            | 1,256,940             | 1,168,999             |
| CDBG                                                       | 30,378                 | -                    | -                      | -                    | -                   | -                   | 184                 | 7,147                | 46,716                | 81,941                |
| Capital Outlay                                             | 105,665,610            | 69,297,350           | 49,213,572             | 16,221,216           | 18,989,724          | 18,172,104          | 19,995,607          | 14,914,239           | 24,889,343            | 17,102,620            |
| Debt Service                                               |                        |                      |                        |                      |                     |                     |                     |                      |                       |                       |
| Principal                                                  | 18,540,000             | 19,935,000           | 19,495,000             | 15,728,796           | 11,535,000          | 11,516,950          | 9,121,959           | 7,970,000            | 7,035,000             | 6,245,000             |
| Interest                                                   | 3,415,866              | 1,575,556            | 2,215,029              | 704,303              | 1,464,550           | 1,917,180           | 2,481,252           | 2,481,252            | 2,481,252             | 2,481,252             |
| Bond interest costs                                        | 137,713                | 689,040.00           | -                      | 801,490              | -                   | -                   | -                   | -                    | -                     | -                     |
| <b>Total expenditures</b>                                  | <b>203,902,197</b>     | <b>153,290,897</b>   | <b>126,448,360</b>     | <b>83,904,432</b>    | <b>79,915,549</b>   | <b>74,564,245</b>   | <b>71,448,496</b>   | <b>62,759,252</b>    | <b>69,239,651</b>     | <b>58,621,070</b>     |
| <b>Excess (deficiencies) of revenues over expenditures</b> | <b>(39,651,417)</b>    | <b>(1,990,095)</b>   | <b>(13,035,534)</b>    | <b>10,754,035</b>    | <b>2,134,575</b>    | <b>1,730,664</b>    | <b>(198,458)</b>    | <b>14,127,886</b>    | <b>(2,922,213)</b>    | <b>1,183,347</b>      |
| <b>Other Financing Sources (Uses)</b>                      |                        |                      |                        |                      |                     |                     |                     |                      |                       |                       |
| Sale of capital assets                                     | 21,818                 | 70,925               | 97,475                 | 1,200,728            | 20,025              | 3,769,638           | 39,540              | 106,065              | 161,330               | 51,659                |
| Debt proceeds                                              | 2,676,350              | 55,182,800           | -                      | 84,045,000           | -                   | -                   | -                   | 25,508,231           | -                     | -                     |
| Original issue premium                                     | -                      | -                    | -                      | 5,127,487            | -                   | -                   | -                   | -                    | -                     | -                     |
| Transfer to escrow agent                                   | -                      | -                    | -                      | (11,773,874)         | -                   | -                   | -                   | -                    | -                     | -                     |
| Transfers in                                               | 2,765,652              | 7,166,240            | 11,849,599             | 702,614              | 791,518             | 5,521,936           | 1,186,184           | 444,592              | 367,845               | 1,000,875             |
| Transfers out                                              | (10,138,938)           | (7,225,223)          | (11,849,599)           | (702,614)            | (1,742,518)         | (5,521,936)         | (1,307,534)         | (444,592)            | (3,072,654)           | (3,465,927)           |
| <b>Net other financing sources (uses)</b>                  | <b>(4,675,118)</b>     | <b>55,194,742</b>    | <b>97,475</b>          | <b>78,599,341</b>    | <b>(930,975)</b>    | <b>3,769,638</b>    | <b>(81,810)</b>     | <b>25,614,296</b>    | <b>(2,543,479)</b>    | <b>(2,413,393)</b>    |
| <b>Net change in fund balances</b>                         | <b>\$ (44,326,535)</b> | <b>\$ 53,204,647</b> | <b>\$ (12,938,059)</b> | <b>\$ 89,353,376</b> | <b>\$ 1,203,600</b> | <b>\$ 5,500,302</b> | <b>\$ (280,268)</b> | <b>\$ 39,742,182</b> | <b>\$ (5,465,692)</b> | <b>\$ (1,230,046)</b> |
| Debt service as a percentage of noncapital expenditures    | 22%                    | 26%                  | 28%                    | 24%                  | 21%                 | 24%                 | 23%                 | 22%                  | 21%                   | 21%                   |

**City of Bentonville, Arkansas**  
**General Governmental Tax Revenues by Source**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 5**

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Sales Tax</u> | <u>Franchise Fees</u> | <u>Alcoholic<br/>Beverage Tax</u> | <u>State<br/>Turnback</u> | <u>Total</u>  |
|--------------------|---------------------|------------------|-----------------------|-----------------------------------|---------------------------|---------------|
| 2015               | \$ 7,248,656        | \$ 29,458,234    | \$ 4,599,120          | \$ 84,264                         | \$ 2,705,936              | \$ 44,096,210 |
| 2016               | 7,757,246           | 30,117,108       | 4,788,966             | 83,388                            | 2,756,242                 | 45,502,950    |
| 2017               | 8,282,975           | 37,651,052       | 5,351,361             | 44,594                            | 2,853,363                 | 54,183,345    |
| 2018               | 8,277,403           | 35,725,644       | 5,653,246             | 33,075                            | 3,843,744                 | 53,533,112    |
| 2019               | 9,417,015           | 39,622,601       | 5,368,133             | 32,346                            | 3,041,751                 | 57,481,846    |
| 2020               | 10,023,405          | 43,279,794       | 5,506,867             | 19,075                            | 3,050,062                 | 61,879,203    |
| 2021               | 10,845,680          | 53,399,550       | 5,704,169             | 31,135                            | 5,194,343                 | 75,174,877    |
| 2022               | 12,180,324          | 61,618,775       | 6,060,409             | 37,629                            | 6,635,017                 | 86,532,154    |
| 2023               | 12,958,249          | 69,363,687       | 6,499,636             | 35,923                            | 6,750,189                 | 95,607,684    |
| 2024               | 13,801,494          | 69,363,687       | 6,499,636             | 36,107                            | 6,750,189                 | 96,451,113    |

**City of Bentonville, Arkansas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 6**

| <b>Year</b> | <b>Real Property</b>                    |                            | <b>Personal Property</b>  |                            | <b>Total</b>              |                            | <b>Ratio of Total Assessed to Total Estimated Actual</b> | <b>Total Direct Tax Rate</b> |
|-------------|-----------------------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|----------------------------------------------------------|------------------------------|
|             | <b>Taxable/<br/>Effective<br/>Value</b> | <b>Appraised<br/>Value</b> | <b>Assessed<br/>Value</b> | <b>Appraised<br/>Value</b> | <b>Assessed<br/>Value</b> | <b>Appraised<br/>Value</b> |                                                          |                              |
| 2015        | \$ 768,870,600                          | \$ 3,888,301,600           | \$ 250,553,245            | \$ 1,252,766,225           | \$ 1,019,423,845          | \$ 5,141,067,825           | 20%                                                      | 7.21                         |
| 2016        | 864,768,080                             | 4,902,545,700              | 262,730,190               | 1,313,650,950              | 1,127,498,270             | 6,216,196,650              | 20%                                                      | 7.21                         |
| 2017        | 930,277,730                             | 5,049,736,200              | 250,686,560               | 1,253,432,800              | 1,180,964,290             | 6,303,169,000              | 20%                                                      | 7.21                         |
| 2018        | 1,004,962,450                           | 5,322,241,000              | 276,770,460               | 1,383,852,300              | 1,281,732,910             | 6,706,093,300              | 20%                                                      | 7.21                         |
| 2019        | 1,073,716,110                           | 5,597,596,400              | 275,714,270               | 1,378,571,350              | 1,349,430,380             | 6,976,167,750              | 20%                                                      | 7.21                         |
| 2020        | 1,121,361,960                           | 5,790,526,050              | 304,411,705               | 1,522,058,525              | 1,425,773,665             | 7,312,584,575              | 20%                                                      | 7.21                         |
| 2021        | 1,257,452,730                           | 7,538,064,300              | 308,753,070               | 1,543,765,350              | 1,566,205,800             | 9,081,829,650              | 20%                                                      | 7.21                         |
| 2022        | 1,383,158,485                           | 7,798,033,485              | 342,977,095               | 1,714,885,475              | 1,726,135,580             | 9,512,918,960              | 20%                                                      | 7.21                         |
| 2023        | 1,485,909,895                           | 8,083,686,620              | 413,109,230               | 2,065,546,150              | 1,899,019,125             | 10,149,232,770             | 20%                                                      | 7.21                         |
| 2024        | 1,702,784,271                           | 8,513,921,355              | 374,633,405               | 1,873,167,025              | 2,077,417,676             | 10,387,088,380             | 20%                                                      | 7.21                         |

Source: Benton County

**City of Bentonville, Arkansas**  
**Property Tax Rates and Tax Levies – Direct and Overlapping Governments**  
**Last Ten Years**

**Table 7**

| <b>Year</b> | <b>City of Bentonville</b>                 |                     |                    |              | <b>Overlapping Rates</b> |                                   |                                             | <b>Total Direct &amp; Overlapping Rates</b> |
|-------------|--------------------------------------------|---------------------|--------------------|--------------|--------------------------|-----------------------------------|---------------------------------------------|---------------------------------------------|
|             | <b>Firemen's Pension &amp; Relief Fund</b> | <b>General Fund</b> | <b>Street Fund</b> | <b>Total</b> | <b>Benton County</b>     | <b>Bentonville Public Schools</b> | <b>Northwest Arkansas Community College</b> |                                             |
| 2015        | 0.50                                       | 5.00                | 1.71               | 7.21         | 7.10                     | 43.70                             | 2.60                                        | 60.61                                       |
| 2016        | 0.50                                       | 5.00                | 1.71               | 7.21         | 7.10                     | 46.60                             | 2.60                                        | 63.51                                       |
| 2017        | 0.50                                       | 5.00                | 1.71               | 7.21         | 7.10                     | 48.50                             | 2.60                                        | 65.41                                       |
| 2018        | 0.50                                       | 5.00                | 1.71               | 7.21         | 7.10                     | 48.50                             | 2.60                                        | 65.41                                       |
| 2019        | 0.50                                       | 5.00                | 1.71               | 7.21         | 7.10                     | 48.50                             | 2.60                                        | 65.41                                       |
| 2020        | 0.50                                       | 5.00                | 1.71               | 7.21         | 7.10                     | 48.50                             | 2.60                                        | 65.41                                       |
| 2021        | 0.50                                       | 5.00                | 1.71               | 7.21         | 5.36                     | 48.00                             | 2.60                                        | 63.17                                       |
| 2022        | 0.50                                       | 5.00                | 1.71               | 7.21         | 5.36                     | 48.00                             | 2.60                                        | 63.17                                       |
| 2023        | 0.50                                       | 5.00                | 1.71               | 7.21         | 5.36                     | 48.00                             | 2.60                                        | 63.17                                       |
| 2024        | 0.50                                       | 5.00                | 1.71               | 7.21         | 5.36                     | 48.00                             | 2.60                                        | 63.17                                       |

Source: Benton County

# **City of Bentonville, Arkansas**

## **Principal Sales Taxpayers**

### **Last Ten Years**

The City of Bentonville, Arkansas's largest own-source revenue is sales taxes. Sales taxes primarily come from two separate taxes: a 2% city tax based on point of sale, and a portion of the county's 1% tax based on point of sale. In 2024, the city sales tax generated revenue of \$52,173,653. The City's portion of the county sales tax generated revenue of \$17,190,034.

According to Arkansas State Statutes, the City is required to keep the identity of individual taxpayers confidential. Therefore, the City of Bentonville is not able to identify the top 10 taxpayers. However, Bentonville enjoys a diverse economic sales tax base.

**City of Bentonville, Arkansas**  
**Principal Property Taxpayers**  
**Last Ten Years**

**Table 8**

| Taxpayer                                         | 2024 |                      |                                    | 2015 |                      |                                    |
|--------------------------------------------------|------|----------------------|------------------------------------|------|----------------------|------------------------------------|
|                                                  | Rank | Total Assessed Value | Percentage of Total Assessed Value | Rank | Total Assessed Value | Percentage of Total Assessed Value |
| WAL-MART/Sam's Club                              | 1    | \$ 159,953,802       | 8.42%                              | 1    | \$ 170,223,710       | 17.13%                             |
| Crystal Pickens LLC                              | 2    | 16,495,264           | 0.87%                              |      |                      |                                    |
| QHG of Springdale Inc D/B/A Bates Medical Center | 3    | 14,117,609           | 0.74%                              | 2    | 15,682,820           |                                    |
| Echo Matrix                                      | 4    | 13,212,375           | 0.70%                              |      |                      |                                    |
| Crossmar Industrial LLC                          | 5    | 11,227,754           | 0.59%                              |      |                      |                                    |
| Colliers International                           | 6    | 10,915,242           | 0.57%                              |      |                      |                                    |
| Center City LLC                                  | 7    | 10,162,354           | 0.54%                              |      |                      |                                    |
| Walton Crossing Apartments                       | 8    | 9,148,295            | 0.48%                              |      |                      |                                    |
| Links at Rainbow Curve                           | 9    | 7,977,820            | 0.42%                              | 8    | 4,239,010            | 0.43%                              |
| Trails at Rainbox Curve                          | 10   | 7,613,960            | 0.40%                              |      |                      | 0.00%                              |
| Bentonville Plaza Owner LLC                      |      |                      |                                    | 3    | 7,438,510            | 0.75%                              |
| AT&T Mobility                                    |      |                      |                                    | 4    | 5,387,395            | 0.54%                              |
| Granite Beau Terre Holdings LLC                  |      |                      |                                    | 5    | 4,817,085            | 0.48%                              |
| Vidhita LLC/DoubleTree                           |      |                      |                                    | 6    | 4,437,425            | 0.45%                              |
| Links at Bentonville LTD Partnership             |      |                      |                                    | 7    | 4,364,660            | 0.44%                              |
| 21C Bentonville LLC                              |      |                      |                                    | 9    | 3,577,240            | 0.36%                              |
| Cox Communications                               |      |                      |                                    | 10   | 3,374,430            | 0.34%                              |

Source: Benton County

**City of Bentonville, Arkansas**  
**Property Tax Levies and Collection**  
**Last Ten Years**

**Table 9**

| <u>Fiscal Year</u> | <u>Tax Roll Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percentage of Levy Collected</u> | <u>Prior Years' Collections</u> | <u>Total Collections</u> | <u>Percentage of Total Collections to Tax Levy</u> |
|--------------------|----------------------|-----------------------|--------------------------------|-------------------------------------|---------------------------------|--------------------------|----------------------------------------------------|
| 2014               | 2013                 | \$ 6,591,136          | \$ 6,462,685                   | 98.05%                              | \$ 119,911                      | \$ 6,582,596             | 99.87%                                             |
| 2015               | 2014                 | 6,766,665             | 6,571,243                      | 97.11%                              | 187,654                         | 6,758,897                | 99.89%                                             |
| 2016               | 2015                 | 7,504,340             | 6,659,403                      | 88.74%                              | 837,842                         | 7,497,245                | 99.91%                                             |
| 2017               | 2016                 | 7,744,618             | 7,300,908                      | 94.27%                              | 431,887                         | 7,732,795                | 99.85%                                             |
| 2018               | 2017                 | 8,557,427             | 7,705,319                      | 90.04%                              | 840,570                         | 8,545,889                | 99.87%                                             |
| 2019               | 2018                 | 9,026,533             | 8,352,832                      | 92.54%                              | 662,381                         | 9,015,213                | 99.87%                                             |
| 2020               | 2019                 | 9,546,626             | 8,871,308                      | 92.93%                              | 663,280                         | 9,534,588                | 99.87%                                             |
| 2021               | 2020                 | 10,444,916            | 9,298,528                      | 89.02%                              | 1,131,749                       | 10,430,277               | 99.86%                                             |
| 2022               | 2021                 | 11,559,447            | 10,101,042                     | 87.38%                              | 1,435,448                       | 11,536,490               | 99.80%                                             |
| 2023               | 2022                 | 11,802,134            | 10,804,781                     | 91.55%                              | 837,012                         | 11,641,793               | 98.64%                                             |
| 2024               | 2023                 | 13,517,917            | 11,320,420                     | 83.74%                              | 843,408                         | 12,163,828               | 89.98%                                             |

Source: Benton County

Property assessments are made; tax rates are established; and taxes are levied in one year for payment by the taxpayer and collection by local government the following year. The tax levy for this schedule includes the city's levy for its general fund, street fund and fire pension plan.

**City of Bentonville, Arkansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

**Table 10**

| <b>Fiscal Year</b> | <b>Governmental<br/>Activities: Sales<br/>Tax Bonds</b> | <b>Business-Type<br/>Activities: Revenue<br/>Bonds</b> | <b>Total Primary<br/>Government</b> | <b>Percentage of<br/>Personal Income</b> | <b>Per Capita</b> |
|--------------------|---------------------------------------------------------|--------------------------------------------------------|-------------------------------------|------------------------------------------|-------------------|
| 2015               | 49,987,014                                              | 15,579,393                                             | 65,566,407                          | 3.54%                                    | 1,857             |
| 2016               | 42,927,110                                              | 13,414,930                                             | 56,342,040                          | 3.04%                                    | 1,596             |
| 2017               | 60,430,601                                              | 11,168,023                                             | 71,598,624                          | 3.64%                                    | 2,028             |
| 2018               | 51,210,650                                              | 8,827,689                                              | 60,038,339                          | 2.86%                                    | 1,701             |
| 2019               | 39,595,699                                              | 6,397,912                                              | 45,993,611                          | 1.28%                                    | 838               |
| 2020               | 27,950,748                                              | 5,359,553                                              | 33,310,301                          | 0.90%                                    | 607               |
| 2021               | 89,052,847                                              | 4,379,769                                              | 93,432,616                          | 2.44%                                    | 1,725             |
| 2022               | 69,352,747                                              | 10,700,000                                             | 80,052,747                          | 1.96%                                    | 1,383             |
| 2023               | 104,395,447                                             | 8,785,000                                              | 113,180,447                         | 2.54%                                    | 1,903             |
| 2024               | 88,267,934                                              | 7,088,000                                              | 95,355,934                          | 1.73%                                    | 1,543             |

(1) Personal income is disclosed in Table 13

(2) Population is disclosed in Table 13

**City of Bentonville, Arkansas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

As of December 31, 2024, the City has no general bonded debt outstanding.

**City of Bentonville, Arkansas**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2024**

**Table 11**

| <b>Governmental Unit</b>                     | <b>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable</b> | <b>Amount<br/>Applicable to<br/>Primary<br/>Government</b> |
|----------------------------------------------|-----------------------------|------------------------------------------------|------------------------------------------------------------|
| Bentonville School District (1) (2)          | \$ 337,119,911              | 54%                                            | \$ 182,044,752                                             |
| Northwest Arkansas Community College (3) (4) | 25,350,480                  | 31%                                            | 7,858,649                                                  |
| Subtotal, overlapping debt                   |                             |                                                | 189,903,401                                                |
| City of Bentonville, Arkansas direct debt    |                             |                                                | 88,267,934                                                 |
| Total direct and overlapping debt            |                             |                                                | <u>\$ 278,171,335</u>                                      |

Source: Outstanding debt amount from each governmental units, most recent audited financial statements.

Note: The amount applicable to the City of Bentonville was estimated using population.

(1) Amount as of 6/30/2022 which was the most recent Audited Financial Statements available

(2) Bentonville School District is comprised of multiple cities with an estimated population of 111,126 of which Bentonville is 61,791 or 54 %

(3) Northwest Arkansas Community College was created by a property tax of residents that comprise the Bentonville and Rogers, AR school district. Population estimate for both areas is estimated at 189,827 of which Bentonville is 61,791 or 31 %

(4) Amount as of 6/30/2023 which was the most recent Audited Financial Statements available

**City of Bentonville, Arkansas**  
**Legal Debt Margin Information**  
**Last Ten Years**

As of December 31, 2024, the City has no general obligation debt.

**City of Bentonville, Arkansas**  
**Pledged Revenue Coverage – Proprietary Funds**  
**Last Ten Years**

**Table 12**

| Year | Operating Revenue | Operating Expenses | Net Revenue Available for Debt Service | Debt Service |            |              | Coverage |
|------|-------------------|--------------------|----------------------------------------|--------------|------------|--------------|----------|
|      |                   |                    |                                        | Principal    | Interest   | Total        |          |
| 2015 | \$ 88,959,008     | \$ 78,826,457      | \$ 10,132,551                          | \$ 2,779,142 | \$ 718,860 | \$ 3,498,002 | 2.90     |
| 2016 | 91,567,054        | 85,384,256         | 6,182,798                              | 2,170,954    | 603,337    | 2,774,291    | 2.07     |
| 2017 | 96,228,757        | 89,968,643         | 6,260,114                              | 2,253,374    | 516,855    | 2,770,229    | 2.26     |
| 2018 | 100,889,330       | 90,228,298         | 10,661,032                             | 2,346,801    | 422,677    | 2,769,478    | 3.85     |
| 2019 | 101,850,203       | 91,906,922         | 9,943,281                              | 2,436,245    | 303,430    | 2,739,675    | 3.63     |
| 2020 | 101,792,768       | 93,442,172         | 8,350,596                              | 1,043,456    | 232,836    | 1,276,292    | 6.54     |
| 2021 | 114,044,573       | 123,963,086 (1)    | (9,918,513)                            | 978,722      | 194,720    | 1,173,442    | (8.45)   |
| 2022 | 127,500,722       | 119,021,631        | 8,479,091                              | 5,935,831    | 403,834    | 6,339,665    | 1.34     |
| 2023 | 124,360,215       | 120,129,903        | 4,230,312                              | 1,915,000    | 247,491    | 2,162,491    | 1.96     |
| 2024 | 129,915,407       | 126,765,229        | 3,150,178                              | 1,760,000    | 266,500    | 2,026,500    | 1.55     |

(1) The increase in expenses was due to the 2021 winter storm

**City of Bentonville, Arkansas**  
**Demographic and Economic Statistics**  
**Last Ten Years**

**Table 13**

| <b>Fiscal Year</b> | <b>City of Bentonville Population (1)</b> | <b>Benton County Population (1)</b> | <b>Per Capita Income (2)</b> | <b>Personal Income (3)</b> | <b>Unemployment Rate (4)</b> |
|--------------------|-------------------------------------------|-------------------------------------|------------------------------|----------------------------|------------------------------|
| 2015               | 35,301                                    | 221,339                             | \$ 52,509                    | \$ 1,853,620,209           | 3.20%                        |
| 2016               | 35,301                                    | 221,339                             | 52,509                       | 1,853,620,209              | 2.70%                        |
| 2017               | 35,301                                    | 221,339                             | 55,729                       | 1,967,289,429              | 2.70%                        |
| 2018               | 35,301                                    | 221,339                             | 59,425                       | 2,097,761,925              | 2.50%                        |
| 2019               | 54,909 (a)                                | 279,141                             | 62,234                       | 3,417,206,706              | 2.30%                        |
| 2020               | 54,909 (a)                                | 279,141                             | 64,497                       | 3,541,465,773              | 3.50%                        |
| 2021               | 54,164                                    | 284,333                             | 77,159                       | 4,179,240,076              | 1.90%                        |
| 2022               | 57,868                                    | 302,863                             | 85,237                       | 4,932,494,716              | 2.00%                        |
| 2023               | 59,471                                    | 311,013                             | 89,095                       | 5,298,568,745              | 2.50%                        |
| 2024               | 61,791                                    | 321,566                             | 89,095 (b)                   | 5,505,269,145              | 2.50%                        |

(a) These amounts are estimates from the U.S. Census Bureau. The 2020 Census numbers were finalized in 2021 and were lower than what was previously estimated.

(b) An updated amount for 2024 was not available.

(1) U.S. Census Bureau

(2) Fayetteville-Springdale-Rogers MSA (of which Bentonville is a part of) information from the U.S. Federal Reserve Bank of St. Louis

(3) Calculated using City of Bentonville Population and Per Capita Income

(4) Bureau of Labor Statistics

**City of Bentonville, Arkansas**  
**Principal Employers**  
**Last Ten Years**

**Table 14**

| <b>Employer</b>                           | <b>2024</b> |                  |                                                    | <b>2015</b> |                  |                                                    |
|-------------------------------------------|-------------|------------------|----------------------------------------------------|-------------|------------------|----------------------------------------------------|
|                                           | <b>Rank</b> | <b>Employees</b> | <b>Percentage of<br/>Population<br/>61,791 (1)</b> | <b>Rank</b> | <b>Employees</b> | <b>Percentage of<br/>Population<br/>35,301 (1)</b> |
| Wal-Mart/Sam's Club                       | 1           | 18,000+          | 29.13%                                             | 1           | 2,500+           | 7.08%                                              |
| Bentonville School District               | 2           | 2,500+           | 4.05%                                              | 2           | 1000–2499        | 2.83%                                              |
| Mercy Health System of Northwest Arkansas | 3           | 1000–2499        | 4.04%                                              | 2           | 1000–2499        | 2.83%                                              |
| City of Bentonville                       | 4           | 500–999          | 0.81%                                              | 6           | 300–499          | 0.85%                                              |
| Northwest Arkansas Community College      | 4           | 500–999          | 0.81%                                              | 6           | 300–499          | 0.85%                                              |
| Northwest Arkansas Health Systems         | 4           | 500–999          | 0.81%                                              | 2           | 1000–2499        | 2.83%                                              |
| Benton County                             | 4           | 500–999          | 0.81%                                              | 5           | 500–999          | 1.42%                                              |
| Arvest Bank Group, Inc.                   | 8           | 100–499          | 0.16%                                              | 8           | 200–299          | 0.57%                                              |
| Outdoor Cap Company                       |             |                  |                                                    | 8           | 200–299          | 0.57%                                              |
| Consumer Testing Laboratories             |             |                  |                                                    | 8           | 200–299          | 0.57%                                              |

Source: Bentonville/Bella Vista Chamber of Commerce

(1) Low figure in the range of Employees used for calculation.

**City of Bentonville, Arkansas**  
**Full-time Equivalent City Employees by Function**  
**Last Ten Years**

**Table 15**

| Function                 | <u>2024</u>  | <u>2023</u>  | <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental Activities  |              |              |              |              |              |              |              |              |              |              |
| General government       | 77.0         | 72.5         | 66.5         | 72.0         | 75.50        | 71.5         | 72.0         | 90.5         | 59.0         | 65.0         |
| Public Safety            | 291.0        | 273.5        | 251.0        | 235.5        | 229.0        | 212.5        | 191.0        | 199.0        | 188.5        | 175.0        |
| Recreation               | 117.0        | 116.0        | 105.0        | 114.0        | 100.5        | 111.5        | 109.0        | 187.0        | 160.0        | 90.0         |
| Street Department        | 32.0         | 26.0         | 26.0         | 22.0         | 25.0         | 23.0         | 23.0         | 26.0         | 28.5         | 23.0         |
| Library                  | <u>28.0</u>  | <u>23.0</u>  | <u>22.5</u>  | <u>24.0</u>  | <u>24.0</u>  | <u>24.5</u>  | <u>26.0</u>  | <u>29.5</u>  | <u>27.5</u>  | <u>24.0</u>  |
| Total                    | <u>545.0</u> | <u>511.0</u> | <u>471.0</u> | <u>467.5</u> | <u>454.0</u> | <u>443.0</u> | <u>421.0</u> | <u>532.0</u> | <u>463.5</u> | <u>377.0</u> |
| Business-Type Activities |              |              |              |              |              |              |              |              |              |              |
| Electric                 | 54.5         | 54.0         | 55.0         | 49.0         | 49.0         | 46.0         | 41.0         | 43.0         | 42.0         | 37.0         |
| Water                    | 30.0         | 36.0         | 37.0         | 40.0         | 45.0         | 43.0         | 41.0         | 44.0         | 39.0         | 38.0         |
| Wastewater               | 45.0         | 37.0         | 37.0         | 22.0         | 22.0         | 22.0         | 23.0         | 26.0         | 25.0         | 22.0         |
| Support                  | <u>22.0</u>  | <u>27.0</u>  | <u>25.0</u>  | <u>25.5</u>  | <u>22.0</u>  | <u>24.0</u>  | <u>23.0</u>  | <u>26.0</u>  | <u>23.0</u>  | <u>21.0</u>  |
| Total                    | <u>151.5</u> | <u>154.0</u> | <u>154.0</u> | <u>136.5</u> | <u>138.0</u> | <u>135.0</u> | <u>128.0</u> | <u>139.0</u> | <u>129.0</u> | <u>118.0</u> |
| Total Primary Government | <u>696.5</u> | <u>665.0</u> | <u>625.0</u> | <u>604.0</u> | <u>592.0</u> | <u>578.0</u> | <u>549.0</u> | <u>671.0</u> | <u>592.5</u> | <u>495.0</u> |

Source: Various city departments

# City of Bentonville, Arkansas

## Operating Indicators by Function

### Last Ten Years

**Table 16**

|                                                | 2024           | 2023           | 2022           | 2021           | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|------------------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function                                       |                |                |                |                |               |               |               |               |               |               |
| Governmental Activities                        |                |                |                |                |               |               |               |               |               |               |
| General Government                             |                |                |                |                |               |               |               |               |               |               |
| Building Permits Issued                        | 1,354          | 1,660          | 1,481          | 1,562          | 1,797         | 1,750         | 1,732         | 1,562         | 1,461         | 1,375         |
| Building Inspections performed                 | 12,150         | 12,693         | 12,112         | 11,261         | 13,979        | 19,570        | 21,079        | 19,613        | 19,380        | 19,514        |
| Fire                                           |                |                |                |                |               |               |               |               |               |               |
| Fire related calls for service                 | 2,189          | 1,832          | 1,980          | 4,323          | 4,238         | 1,420         | 1,485         | 1,553         | 1,534         | 1,453         |
| EMS related calls for service                  | 5,389          | 4,938          | 5,006          | 6,107          | 5,804         | 5,534         | 5,304         | 4,788         | 4,786         | 4,665         |
| Police                                         |                |                |                |                |               |               |               |               |               |               |
| Calls for service Police                       | 50,386         | 50,908         | 45,674         | 51,203         | 69,239        | 70,483        | 66,312        | 59,100        | 57,193        | 53,140        |
| Calls for service Fire/EMS                     | 7,696          | 5,723          | 7,015          | 6,721          | 7,225         | 6,976         | 6,937         | 6,031         | 6,294         | 6,111         |
| Physical arrests                               | 3,492          | 3,800          | 3,436          | 3,796          | 3,782         | 3,981         | 3,544         | 3,601         | 3,405         | 3,319         |
| 9-1-1 Calls                                    | 18,215         | 19,217         | 17,570         | 21,773         | 16,429        | 17,336        | 15,642        | 16,078        | 16,779        | 16,907        |
| Recreation                                     |                |                |                |                |               |               |               |               |               |               |
| Program Participants                           | 755,506        | 757,632        | 596,332        | 407,459        | 223,237       | 735,491       | 728,955       | 726,364       | 661,897       | 320,655       |
| Transportation                                 |                |                |                |                |               |               |               |               |               |               |
| Street Pavement Preservation (miles) *         | 11             | 11             | 13             | 10             | 7             | 2             | 2             | 3             | 3             | 2             |
| Library                                        |                |                |                |                |               |               |               |               |               |               |
| Library card holders **                        | 24,089         | 20,211         | 42,915         | 39,899         | 42,518        | 42,615        | 26,867        | 26,929        | 27,058        | 35,514        |
| Visits                                         | 345,500        | 343,435        | 257,076        | 169,190        | 139,034       | 319,697       | 302,398       | 296,311       | 300,766       | 298,585       |
| Circulation (checkouts or materials)           | 860,350        | 827,921        | 763,427        | 708,226        | 551,135       | 725,056       | 667,538       | 675,787       | 679,444       | 651,289       |
| Business-Type Activities                       |                |                |                |                |               |               |               |               |               |               |
| Electric, Water, Wastewater Support Activities |                |                |                |                |               |               |               |               |               |               |
| Meters read                                    | 656,752        | 683,357        | 653,188        | 626,053        | 610,224       | 599,999       | 572,648       | 555,128       | 530,850       | 503,834       |
| Payments Processed (dollars)                   | \$ 135,055,370 | \$ 129,985,736 | \$ 119,968,913 | \$ 151,657,567 | \$ 90,995,518 | \$ 94,437,561 | \$ 93,810,989 | \$ 90,026,317 | \$ 88,326,913 | \$ 84,237,799 |
| Payments Processed (transactions)              | 273,978        | 263,632        | 251,642        | 239,369        | 226,616       | 215,614       | 206,971       | 193,627       | 190,814       | 185,954       |

\* 2015-2019 presents overlay miles only. 2020 - 2025 figures represent paved traffic lane miles.

\*\* New reporting for library card holders in 2023. This does not include tech cards for students.

Source: Various city departments

# City of Bentonville, Arkansas

## Capital Assets Statistics by Function

### Last Ten Years

**Table 17**

|                                                          | 2024     | 2023     | 2022     | 2021     | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    |
|----------------------------------------------------------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|
| Function                                                 |          |          |          |          |         |         |         |         |         |         |
| Governmental Activities                                  |          |          |          |          |         |         |         |         |         |         |
| General Government                                       |          |          |          |          |         |         |         |         |         |         |
| Number of general government buildings                   | 5        | 5        | 5        | 5        | 4       | 4       | 4       | 4       | 4       | 4       |
| Fire                                                     |          |          |          |          |         |         |         |         |         |         |
| Fire Trucks available each year                          | 9        | 9        | 9        | 9        | 9       | 8       | 8       | 8       | 8       | 8       |
| Ambulances available each year                           | 4        | 4        | 5        | 5        | 5       | 6       | 7       | 7       | 7       | 7       |
| Fire Stations                                            | 7        | 7        | 7        | 7        | 7       | 6       | 6       | 6       | 6       | 6       |
| Police                                                   |          |          |          |          |         |         |         |         |         |         |
| Police Units (cars/trucks) that were available each year | 129      | 123      | 103      | 102      | 103     | 94      | 91      | 89      | 85      | 83      |
| Recreation                                               |          |          |          |          |         |         |         |         |         |         |
| Parks Acreage (*)                                        | 1,100    | 902      | 720      | 341      | 341     | 341     | 341     | 341     | 341     | 341     |
| Number of Parks                                          | 23       | 23       | 23       | 20       | 20      | 20      | 20      | 20      | 20      | 20      |
| Number of Trails                                         | 30       | 30       | 29       | 28       | 28      | 28      | 27      | 25      | 25      | 24      |
| Baseball/softball fields                                 | 18       | 18       | 18       | 20       | 20      | 24      | 24      | 24      | 24      | 24      |
| Soccer Fields / Football Fields                          | 18       | 18       | 18       | 16       | 16      | 16      | 16      | 16      | 16      | 16      |
| Tennis Courts                                            | 30       | 30       | 22       | 22       | 22      | 22      | 14      | 14      | 14      | 14      |
| Basketball Courts                                        | 4        | 4        | 4        | 5        | 5       | 5       | 5       | 5       | 5       | 5       |
| Swimming Pools / Splash Parks                            | 5        | 5        | 4        | 4        | 4       | 4       | 4       | 4       | 4       | 4       |
| Ice Rink                                                 | 1        | 1        | 1        | 1        | 1       | 1       | 1       | 1       | 1       | 1       |
| Indoor Rec Center                                        | 2        | 2        | 2        | 2        | 2       | 2       | 2       | 2       | 2       | 2       |
| Transportation                                           |          |          |          |          |         |         |         |         |         |         |
| Total Paved Streets (miles)                              | 327      | 327      | 300      | 297      | 296     | 284     | 288     | 274     | 261     | 250     |
| Traffic Signals                                          | 64       | 60       | 58       | 53       | 52      | 50      | 49      | 45      | 45      | 41      |
| Library                                                  |          |          |          |          |         |         |         |         |         |         |
| Items Available for checkout                             | 163,458  | 161,672  | 157,359  | 153,545  | 154,953 | 149,962 | 143,760 | 135,568 | 134,725 | 131,070 |
| Business-Type Activities                                 |          |          |          |          |         |         |         |         |         |         |
| Electric                                                 |          |          |          |          |         |         |         |         |         |         |
| Electric Substations                                     | 9        | 9        | 9        | 9        | 9       | 9       | 9       | 9       | 9       | 9       |
| Electric Lines (miles)                                   |          |          |          |          |         |         |         |         |         |         |
| Distribution                                             | 1,065.00 | 1,051.00 | 1,031.00 | 1,027.00 | 989.00  | 982.10  | 925.50  | 915.68  | 885.88  | 846.25  |
| Transmission                                             | 17.36    | 17.13    | 16.32    | 16.32    | 16.32   | 16.32   | 16.32   | 16.32   | 16.32   | 16.32   |
| Water                                                    |          |          |          |          |         |         |         |         |         |         |
| Water Lines (miles)                                      | 385.00   | 383.13   | 377.12   | 343.12   | 336.69  | 330.71  | 325.60  | 321.90  | 314.40  | 307.30  |
| Sewer Lines (miles)                                      | 376.00   | 361.27   | 355.66   | 322.66   | 314.99  | 311.25  | 308.40  | 305.80  | 300.40  | 294.20  |

(\*) Data reported prior to 2022 did not include urban forest property managed by Parks department. The 2022 and forward total includes all acreage.  
Source: Various city departments.

**City of Bentonville, Arkansas**  
**Waste and Wastewater Rates**  
**December 31, 2024**

**Table 18**

| Per 1,000 gallons                       |             |            |            |             |            |  |  |  |  |
|-----------------------------------------|-------------|------------|------------|-------------|------------|--|--|--|--|
|                                         | Water       |            |            | Wastewater  |            |  |  |  |  |
|                                         | Residential | Irrigation | Commercial | Residential | Commercial |  |  |  |  |
| <b>Inside City monthly usage rates</b>  |             |            |            |             |            |  |  |  |  |
| First 4,000 gallons of water            | \$ 3.87     | N/A        | N/A        | N/A         | N/A        |  |  |  |  |
| Next 6,000 gallons of water             | 4.22        | N/A        | N/A        | N/A         | N/A        |  |  |  |  |
| Over 10,000 gallons of water            | 5.72        | N/A        | N/A        | N/A         | N/A        |  |  |  |  |
| All Consumption                         | N/A         | \$ 5.02    | \$ 4.05    | \$ 8.48     | \$ 9.06    |  |  |  |  |
| <b>Outside City monthly usage rates</b> |             |            |            |             |            |  |  |  |  |
| First 4,000 gallons of water            | \$ 4.59     | N/A        | N/A        | N/A         | N/A        |  |  |  |  |
| Next 6,000 gallons of water             | 5.01        | N/A        | N/A        | N/A         | N/A        |  |  |  |  |
| Over 10,000 gallons of water            | 6.81        | N/A        | N/A        | N/A         | N/A        |  |  |  |  |
| All Consumption                         | N/A         | \$ 5.97    | \$ 4.80    | \$ 10.18    | \$ 10.87   |  |  |  |  |

| Rate per Month     |         |            |             |            |  |
|--------------------|---------|------------|-------------|------------|--|
|                    | Water   | Irrigation | Wastewater  |            |  |
|                    |         |            | Residential | Commercial |  |
| <b>Meter rates</b> |         |            |             |            |  |
| 5/8" meter         | \$ 7.71 | \$ 10.14   | \$ 14.78    | \$ 15.80   |  |
| 3/4" meter         | 7.71    | 10.14      | 14.78       | 15.80      |  |
| 1" meter           | 19.28   | 25.66      | 48.69       | 52.03      |  |
| 1-1/2" meter       | 83.55   | 109.97     | 180.87      | 193.28     |  |
| 2" meter           | 89.98   | 118.52     | 193.10      | 206.35     |  |
| 3" meter           | 134.97  | 177.16     | 283.67      | 303.13     |  |
| 4" meter           | 385.63  | 507.06     | 795.26      | 849.82     |  |
| 6" meter           | 835.54  | 1,099.64   | 1,713.16    | 1,830.70   |  |
| 8" meter           |         |            | 3,446.29    | 3,681.14   |  |
| 10" meter          |         |            | 5,169.42    | 5,521.70   |  |

**City of Bentonville, Arkansas**  
**Schedule of Electric, Water and Wastewater Customers**  
**And Annual Billable Water Gallons**  
**December 31, 2024**

**Table 19**

| Type       | Number of<br>Customers |
|------------|------------------------|
| Electric   | 26,564                 |
| Water      | 23,388                 |
| Wastewater | 18,953                 |

| Year Ended December 31, 2024  | Gallons<br>(in thousands) |
|-------------------------------|---------------------------|
| Annual billable water gallons | 2,794,403                 |

**City of Bentonville, Arkansas**  
**Schedule of Insurance Coverage**  
**December 31, 2024**

**Table 20**

| <b>Policy Coverage</b>                                         | <b>Policy Period</b> | <b>Coverage</b>                                                                   | <b>Insurer</b>                    |
|----------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------|-----------------------------------|
| Property                                                       | 7-8-24 to 7-8-25     | \$ 305,682,445                                                                    | Affiliated FM Insurance Company   |
| Municipal vehicles –<br>Includes property and<br>bodily injury | 1-1-24 to 1-1-25     | \$25,000 for one person<br>\$50,000 for 2 or more<br>persons<br>\$25,000 property | Arkansas Municipal League         |
| Fraudulent or dishonest acts                                   | 7-1-24 to 6-30-25    | \$ 300,000                                                                        | Arkansas Fidelity Bond Trust Fund |

## **Other Required Reports**

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## Independent Accountant's Report on Compliance With Arkansas State Requirements

The Honorable Mayor and Members of the City Council  
City of Bentonville, Arkansas  
Bentonville, Arkansas

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

1. Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
2. Arkansas District Courts and City Courts Accounting Law, § 16-10-201 et seq.;
3. Improvement contracts, §§ 22-9-202 – 22-9-204;
4. Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
5. Investment of public funds, § 19-1-501 et seq.; and
6. Deposit of public funds, §§ 19-8-101 – 19-8-107.

Management is responsible for its compliance with the aforementioned Act and State Statutes. Our responsibility is to express an opinion on management's assertion about the City's compliance with the aforementioned requirements above based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2024.

**Forvis Mazars, LLP**

**Rogers, Arkansas  
June 30, 2025**