

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**

**CITY OF FAYETTEVILLE,
ARKANSAS**

For the Year Ended December 31, 2024

**Prepared by
DEPARTMENT OF FINANCE**

**Steven Dotson
Chief Financial Officer**

**Kristin Cavette
Accounting Director**

**CITY OF FAYETTEVILLE, ARKANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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June 27, 2025

To Members of the City Council and Citizens of the City of Fayetteville:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Fayetteville for the fiscal year ended December 31, 2024.

This report consists of management's representations concerning the finances of the City of Fayetteville. 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 of Fayetteville 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 of Fayetteville financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Fayetteville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Fayetteville's financial statements have been audited by Forvis Mazars, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Fayetteville for the fiscal year ended December 31, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. 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, aggregate discretely presented component units, each major fund and aggregate remaining fund information that collectively comprise the City of Fayetteville'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.

The independent audit of the financial statements of the City of Fayetteville was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Fayetteville's Single Audit Section included herein.

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

In 2011, the City of Fayetteville adopted GASB Statement 54, which is reflected in the financial statements of the City. A noticeable change due to the implementation of GASB Statement 54 is that the results of operations, assets, and liabilities for the City's Disaster and Replacement Fund are now consolidated in the General Fund on the City's official audited financial statements because it does not meet the definition of a true stabilization fund. However, this fund is budgeted and accounted for as a separate special revenue fund on the City's internal records and internal statements. Within the audited financial statements, the activities of the Disaster and Recovery Fund have been identified to enable easy comparisons with prior years. The fund balance amounts associated with the Disaster and Recovery Fund are classified as committed on the General Fund Balance Sheet.

Profile of the Government

The city of Fayetteville was incorporated in 1870. Fayetteville is located in the northwestern part of the state, which is considered to be the top growth area in the state, and one of the top growth areas in the country. The city of Fayetteville currently occupies a land area of 55 square miles and serves a population of 93,949 as of the 2020 census. The City of Fayetteville is authorized to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which only occurs when deemed appropriate by the City Council.

Since 1992, the City of Fayetteville has operated under a Mayor-Council form of government. Legislative and policy-making authority is vested in an eight-member City Council, which is responsible for passing ordinances, adopting the budget, and appointing committees. The Mayor oversees day-to-day operations, implements City Council policies and ordinances, and appoints department heads.

Both the Mayor and City Council members are elected on a nonpartisan basis. The Mayor is elected at large to a four-year term. Council members are elected by ward to staggered four-year terms, with half the seats up for election every two years.

The City of Fayetteville provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; water and wastewater services; trash collection and recycling; and recreational activities as well as cultural events. The City of Fayetteville also reports the financial activity of the Fayetteville Public Library and the Fayetteville Advertising & Promotion Commission on a component unit basis. Additional information on these component units can be found in Note 1.A in the notes to the financial statements.

The annual budget serves as the basis for the City of Fayetteville's financial planning and control. Traditionally, all divisions and departments of the City of Fayetteville are required to submit requests for appropriation to the Mayor on or before the end of August. Not-for-profit agencies that provide City services submit their funding request to the Mayor and City Council each August/September. The Mayor uses these requests as the initial basis for developing a proposed budget. Usually in September, the Mayor presents the proposed General Fund budget to the City Council for review. This is done because any property tax levy must be adopted prior to October 31, which is the last day the ordinance must be filed with Washington County (County). The City Council conducts work sessions with staff and conducts public discussions on the proposed City-wide budget as part of regularly scheduled City Council meetings and during agenda sessions in November and December. Arkansas statutes establish the fiscal year for municipalities as the calendar year and require municipal budgets be submitted to the City Council by December 1 of each year in Mayor-Council forms of government. The expenditure budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may initiate transfers of budget object categories within a division. Transfers between object categories within a division within a fund require the special approval of the Budget Director and Chief Financial Officer. Transfers between divisions or budgeted projects require City Council approval. However, budget transfers between personnel categories may be

made with the approval of the Chief Financial Officer and Chief of Staff. All amendments to the budget which increase the total amount of a fund must be approved by the City Council unless delegated by a Bond Trustee agreement.

Factors Affecting Financial Condition

As this report is being issued, the Country is beginning to recover from the effects of inflation and supply chain problems. The local economy in Northwest Arkansas, although not as hard hit as the national economy, continues to show improvement. The information presented in the financial statements and the relationship of that information to the City's long-term future is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Fayetteville operates.

Local Economy

In the City of Fayetteville, revenues for all funds decreased \$2.3 million in 2024. However intergovernmental revenues in 2023 were greater than 2024 by \$5.1million due to recognition of ARPA revenue that was recognized in 2023. General Governmental Activities decreased \$2.7 million, and Business Activities increased \$404 thousand. However, City sales taxes, which comprise approximately 60% of overall general fund revenue, increased by \$2.3 million. Total revenue for the general fund was 4% under budget for the year.

Although expenditures and transfers in the Governmental Funds exceeded revenues by approximately \$24.6 million, \$34.3 million of those expenditures was for capital projects in the Sales Tax construction fund. On an entity-wide basis, \$49.8 million was added to the City's net position. Unrestricted net position fell in total by \$5.3 million in 2024. While business-type activities net position increased by \$498 thousand, Governmental unrestricted net position decreased \$5.8 million.

Fayetteville and the Northwestern Arkansas area continue to enjoy a relatively stable and diverse economic environment. Major industries with headquarters or divisions in the immediate area include Walmart, Tyson Foods, and JB Hunt, and of course, the main campus of the University of Arkansas is located in Fayetteville.

Based on increased revenue expectations in 2025, the overall budget for city operations was increased by \$12.6 million mostly due to approved personnel service increases and increased services and charges. General Fund available reserves of over \$38.3 million at the close of 2024 should be adequate to meet any revenue losses which are likely to be experienced if revenues are under budgetary projections.

Long-Term Financial Plan

As a budgeting tool, the City prepares a five-year Capital Improvement Program (CIP) to address capital needs. The CIP in effect for 2024 was prepared for the period 2024 through 2028 and was adopted by the Council in July 2023. The CIP plan has been reviewed and adjusted again in June 2025 for the 2026 budget.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fayetteville for its annual comprehensive financial report for the fiscal year ended December 31, 2023. This was the 36th consecutive year the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized financial report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit for the financial performance of this City also must be given to the Mayor and entire City staff as well as City Council for their continued support.

Respectfully submitted,



Molly Rawn



Steven Dotson



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fayetteville
Arkansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

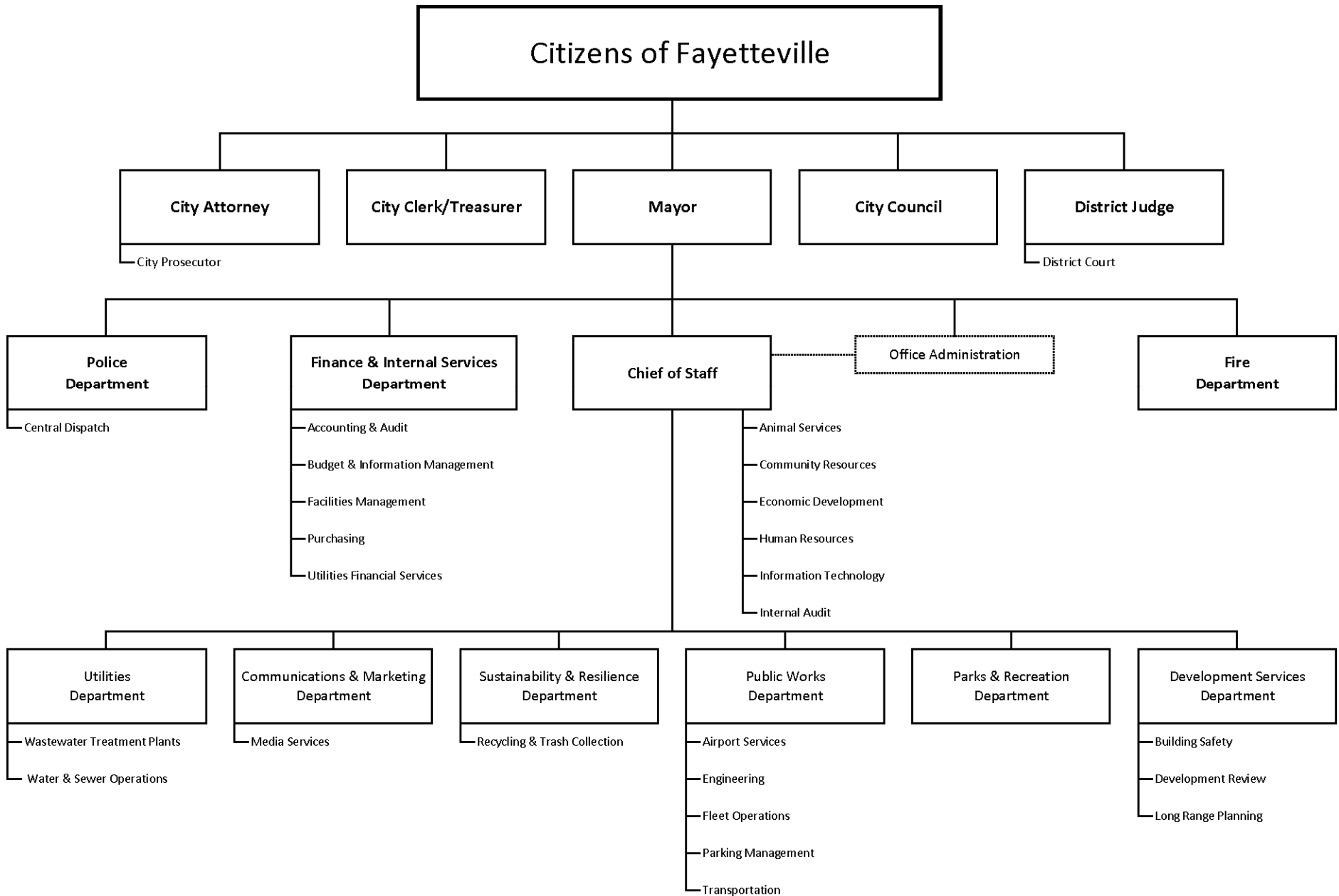
December 31, 2023

Christopher P. Morill

Executive Director/CEO

City of Fayetteville, Arkansas

Organizational Chart



Officials of the City of Fayetteville, Arkansas

Elected Officials In Office During 2024

Mayor	Lioneld Jordan
Ward 1, Position 1	Robert Stafford
Ward 1, Position 2	D'Andre Jones
Ward 2, Position 1	Sarah Moore
Ward 2, Position 2	Mike Wiederkehr
Ward 3, Position 1	Scott Berna
Ward 3, Position 2	Sarah Bunch
Ward 4, Position 1	Teresa Turk
Ward 4, Position 2	Holly Hertzberg
City Attorney	Kit Williams
City Clerk/Treasurer	Kara Paxton
District Judge	Clinton "Casey" Jones

Current Executive Staff and Senior Directors

Chief of Staff	Keith Macedo
Police Chief	Michael Reynolds
Fire Chief	Brad Hardin
Chief Financial Officer	Steven Dotson
Communications & Marketing Director	Gracie Ziegler
Development Services Director	Jonathan Curth
Director of Parks, Nat. Res. & Cultural Affairs	Alison Jumper
Public Works Director	Chris Brown
Utilities Director	Tim Nyander

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Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Fayetteville, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fayetteville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Parks Development Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, schedule of expenditures of federal awards, and schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Rogers, Arkansas
June 27, 2025**

City of Fayetteville, Arkansas
Management's Discussing and Analysis
December 31, 2024

As management of the City of Fayetteville (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 herein should be considered in conjunction with the information contained in the Letter of Transmittal included in the Introductory Section and various historic summaries of activities and financial performance included in the Statistical Section of this report.

Financial Highlights

- The total assets and deferred outflows of resources of the primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$949,116,802 (net position). Of this amount, \$88,798,202 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position changed by \$49,805,779 in 2024. Net position of the governmental activities changed by \$40,528,464, which was a 24.7% increase from the 2023 increase. Net position of the business-type activities changed by \$9,277,315, which was a 133.7% increase from the 2023 increase.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$160,587,351, a decrease of \$24,620,438 from 2023.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$38,360,191, which is equal to 49.5% of total General Fund expenditures and transfers out of \$77,539,984.
- The City's total debt including bonds, notes, leases, discounts, and premiums changed by \$17,855,934 or 12% during 2024 to a total of \$125,676,156.

Overview of the Financial Statements

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

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 and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the 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).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, finance and internal services, public safety, community planning and engineering, transportation and parking, and parks and recreation. The business-type activities of the City include the airport, recycling and trash collection, and water and sewer.

The government-wide financial statements include not only the City itself (known as the primary government), but also two legally separate entities for which the City is financially accountable (known as component units). These two component units are the Fayetteville Advertising & Promotion Commission and the Fayetteville

Public Library. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 23 and 24 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 evaluating a government's near-term financing requirements.

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

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Sales Tax Improvement Bond Fund, Parks Development Fund, Sales Tax Capital Improvement Fund, and the Sales Tax 2022 Construction Fund, all of which are considered to be major funds as defined by generally accepted accounting principles. Data from the other 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 elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic Governmental Fund financial statements can be found on pages 25 through 30 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. 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 water and sewer, recycling and trash collection and airport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions for fleet operations. The services provided by the internal service fund predominantly benefit the governmental rather than the business-type functions; therefore, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Recycling and Trash Collection Fund and the Water and Sewer Fund, which are considered to be major funds. The Airport Fund is presented as nonmajor enterprise fund. The Shop Fund is the only internal service fund.

The basic proprietary fund financial statements can be found on pages 34 through 39 of this report.

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

The basic fiduciary fund financial statements can be found on pages 40 and 41 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 42 through 76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on pages 77 through 82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 85 through 108 of this report.

Government-Wide Financial Analysis

Net position may serve over time as an indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$949,116,802 as of December 31, 2024 as shown in the table below.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 242,841,879	\$ 219,139,756	\$ 71,518,575	\$ 72,758,029	\$ 314,360,454	\$ 291,897,785
Capital assets	459,967,109	494,253,553	375,101,247	394,123,777	835,068,356	888,377,330
Total assets	702,808,988	713,393,309	446,619,822	466,881,806	1,149,428,810	1,180,275,115
Deferred outflows of resources	25,475,017	22,541,541	-	-	25,475,017	22,541,541
Total assets and deferred outflows of resources	728,284,005	735,934,850	446,619,822	466,881,806	1,174,903,827	1,202,816,656
Long-term liabilities	229,795,366	206,631,652	2,073,902	1,790,893	231,869,268	208,422,545
Other liabilities	28,585,832	20,836,098	6,887,106	18,782,638	35,472,938	39,618,736
Total liabilities	258,381,198	227,467,750	8,961,008	20,573,531	267,342,206	248,041,281
Deferred inflows of resources	6,104,257	4,140,086	2,146,341	1,518,487	8,250,598	5,658,573
Total liabilities and deferred inflows of resources	264,485,455	231,607,836	11,107,349	22,092,018	275,592,804	253,699,854
Net investment in capital assets	390,302,251	425,939,639	373,797,206	382,576,487	764,099,457	808,516,126
Restricted	41,098,424	51,802,474	-	-	41,098,424	51,802,474
Unrestricted	32,397,875	26,584,901	61,715,267	62,213,301	94,113,142	88,798,202
Total net position	\$ 463,798,550	\$ 504,327,014	\$ 435,512,473	\$ 444,789,788	\$ 899,311,023	\$ 949,116,802

The largest portion of the City's net position is net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment) less any debt to acquire the asset. Even though these assets are reported net of related debt, the liability to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate debt. Net investment in capital assets changed by \$44,416,669 in 2024. A discussion of the changes in capital assets can be found on page 20. Net position is also subject to external restrictions on how it may be used. The City has \$51,802,474 of restricted net position which is limited by state or municipal laws or grant or contractual agreements as to the use of these funds. Unrestricted net position, which may be used to meet ongoing obligations of the City, totaled \$88,798,202. In this total, \$26,584,901 is reported in the governmental activities and \$62,213,301 in the business-type activities of the City.

The government's net position increased by \$49,805,779 during the current year. The changes in accounts effecting net position are shown in the following schedule.

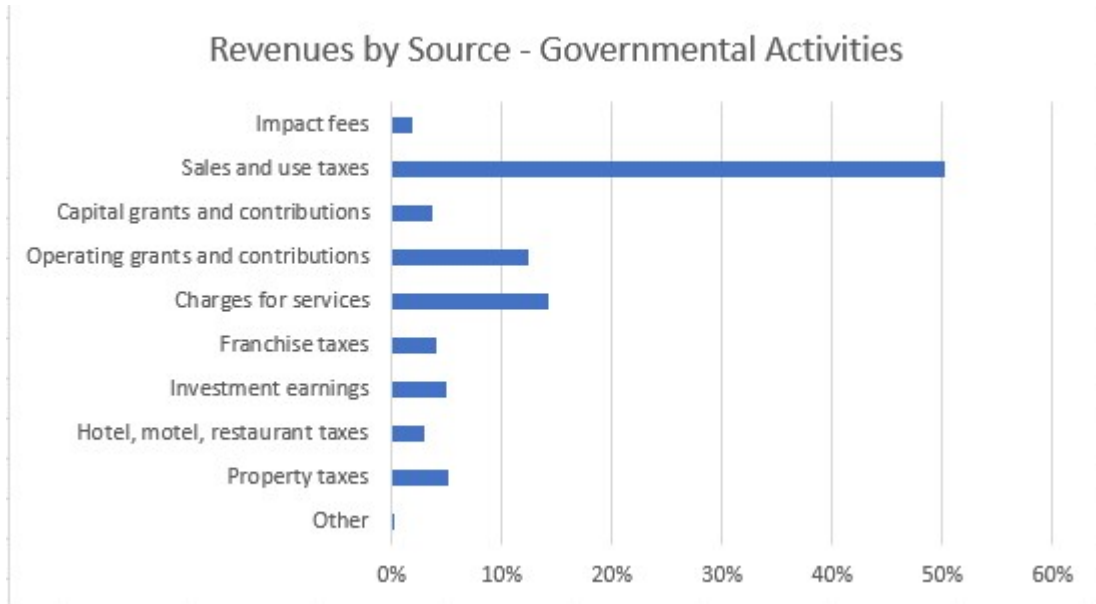
	Governmental Activities		Changes in Net Position Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Revenues:						
Program revenues:						
Charges for services	\$ 11,770,381	\$ 13,948,712	\$ 67,945,840	\$ 72,583,793	\$ 79,716,221	\$ 86,532,505
Operating grants and contributions	20,106,806	22,191,878	-	18,685	20,106,806	22,210,563
Capital grants and contributions	10,814,101	6,664,565	11,053,006	7,461,023	21,867,107	14,125,588
General revenues:						
Sales and use taxes	89,582,182	91,969,736	86,408	108,909	89,668,590	92,078,645
Property taxes	8,004,163	9,294,596	-	-	8,004,163	9,294,596
Franchise taxes	7,483,450	7,282,355	435,401	454,374	7,918,851	7,736,729
Hotel, motel, restaurant taxes	4,995,902	5,290,374	-	-	4,995,902	5,290,374
Intergovernmental (ARPA)	5,193,698				5,193,698	
Impact fees	2,866,849	3,267,731	-	-	2,866,849	3,267,731
Investment earnings	9,830,820	8,799,766	3,109,099	1,881,512	12,939,919	10,681,278
Other	1,228,976	435,055	1,010,578	1,536,257	2,239,554	1,971,312
Total revenues	171,877,328	169,144,768	83,640,332	84,044,553	255,517,660	253,189,321
Expenses:						
General government	21,550,221	19,469,004	-	-	21,550,221	19,469,004
Finance and internal services	7,155,478	7,914,762	-	-	7,155,478	7,914,762
Public safety	50,253,039	43,350,798	-	-	50,253,039	43,350,798
Community planning and engineering	6,673,183	6,936,551	-	-	6,673,183	6,936,551
Transportation and parking	24,237,495	27,132,660	-	-	24,237,495	27,132,660
Parks and recreation	11,067,086	12,159,121	-	-	11,067,086	12,159,121
Interest on long-term debt	5,175,076	4,929,169	-	-	5,175,076	4,929,169
Bond issuance costs	-	240,805	-	-	-	240,805
Airport	-	-	5,034,672	5,074,577	5,034,672	5,074,577
Recycling and trash	-	-	14,565,235	17,182,357	14,565,235	17,182,357
Water and sewer	-	-	53,877,862	58,993,738	53,877,862	58,993,738
Total expenses	126,111,578	122,132,870	73,477,769	81,250,672	199,589,347	203,383,542
Increase in net position before transfers	45,765,750	47,011,898	10,162,562	2,793,881	55,928,312	49,805,779
Transfers	172,382	(6,483,434)	(172,382)	6,483,434	-	-
Total change in net position	45,938,132	40,528,464	9,990,180	9,277,315	55,928,312	49,805,779
Net position - beginning of year	417,860,418	463,798,550	425,522,293	435,512,473	843,382,711	899,311,023
Net position - December 31	\$ 463,798,550	\$ 504,327,014	\$ 435,512,473	\$ 444,789,788	\$ 899,311,023	\$ 949,116,802

Governmental activities. Governmental activities net position increased by \$40,528,464 . This was a \$5,409,668 decrease from the 2023 increase. Revenues decreased by \$2,732,560, while expenses increased by \$404,221. Key elements in these changes are as follows:

- Sales and use taxes increased by \$2,387,554 for 2024.
- Operating grants and contributions increased by \$2,085,072.
- Investment earnings decreased by \$1,031,054, in large part due to fair value decreases at year-end.

- Expenses in the public safety activities decreased by \$6,870,342, as expenses were higher in 2023 due to purchases for a new police station.
- Intergovernmental revenues were higher in 2023 by \$5,193,698, resulting from recognition of American Rescue Plan Act award funding that year.

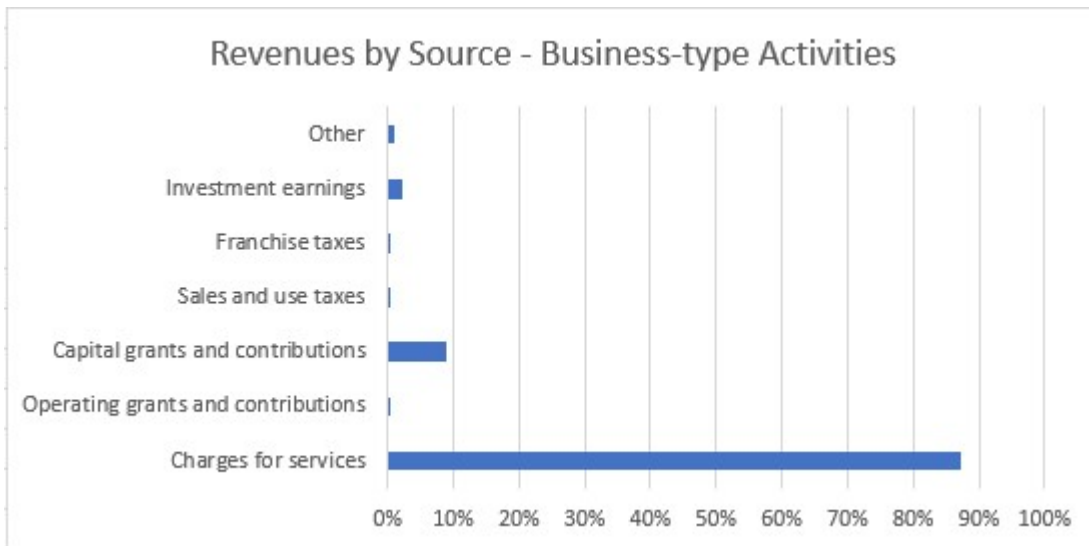
A chart of revenues by source for governmental activities is presented below.



Business-type activities. The business-type activities net position increased by \$9,277,315 from 2023. Key elements in the overall increase in net position are as follows:

- The Recycling and Trash Collection Fund had a decrease of net position of \$285,970. Operating revenues increased by \$1,355,090 and nonoperating revenues decreased by \$63,717. This growth in revenues can mainly be attributed to an increase in rates of 5.4% and growth in the customer base. Operating expenses increased by \$1,658,997. The majority of this increase was from contract service cost increases of \$859,479 and \$595,811 in personnel services.
- The Water and Sewer Fund had an increase in net position of \$9,191,813 compared to an increase in 2023 of \$8,029,467. Operating revenues changed by \$3,410,831. This growth in revenues can mainly be attributed to rate increases of 3%. Operating expenses increased by \$6,824,980. Capital donations, due to multiple private development projects having been completed in 2023, decreased by \$2,288,938 in 2024.
- The Airport Fund had a decrease in net position of \$331,317. Operating revenues increased by \$199,936 due to increases in fuel sale revenues. Operating expenses increased by \$281,778 mainly due to increased fuel costs. Capital grant revenues decreased by \$521,081 during 2024.

A chart of revenues by source for business-type activities is presented below.



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 near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$160,587,351, a decrease of \$24,620,438. Of this total fund balance amount, \$38,300,371 constitutes unassigned fund balance, which is available for future spending. The remainder of fund balance is shown as non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending.

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 \$38,360,191, while the total fund balance was \$42,854,236. The total fund balance decreased by \$4,017,398 from the amount previously reported. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 53.3% of total General Fund expenditures, while total fund balance represents 59.6% of that same amount.

The Sales Tax Improvement Bond Debt Service Fund had total fund balance of \$9,759,002, all of which is restricted for the payment of debt service charges. The decrease in fund balance during the current year was \$41,881, which was due to increase in expenditures for debt service.

The Parks Development Fund had a total fund balance of \$8,552,557 at year-end. The fund accounts for the revenue and expenditures of the Parks HMR tax approved by the voters in 1995 for use on capital projects and maintenance activities.

The Sales and Use Tax Capital Improvement Fund had a total fund balance of \$16,674,228, which represents a \$1,421,115 decrease from 2023. The fund had an increase in sales and use tax revenues of \$230,106 due to increases in economic and population growth into the City. Transfers out increased by \$292,090. Capital expenditures increased by \$588,655 in 2024.

The Sales Tax 2022 Construction Fund is used to account for bond proceeds for street, trails, drainage, parks, city facilities, an arts corridor, and fire projects as approved by Fayetteville voters in April 2019. Proceeds from the bonds issued were \$75,513,865. The fund had a total fund balance at year-end of \$33,839,575 to be used for future capital projects.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

The Recycling and Trash Collection Fund had \$10,106,133 in net position, with \$7,196,566 in unrestricted net position at year-end. This represents a decrease of \$285,970 in net position from 2023. Of the \$7,196,566 in unrestricted net position, \$1,499,392 was re-appropriated in 2025 primarily for capital improvements. The fund had an increase in operating revenues of \$1,355,090, which is mainly due to rate increase of 3.54%. It had a decrease in nonoperating revenues of \$63,717. Operating expenses increased by \$1,658,997. A major component of the increase in expenses was due increased costs of contract services and charges of \$859,479 and an increase in personnel services of \$595,811.

The net position of the Water and Sewer Fund changed by \$9,191,813 to a total of \$408,016,983, with \$41,118,779 in unrestricted net position at year-end. Of this \$41,118,779 in unrestricted net position, \$23,375,603 was re-appropriated, primarily for capital projects, in the 2025 budget. Operating revenues had an increase of \$3,410,831, which is mainly due to rate increase of 3% and an increase of customers of 2%. The fund had capital donations from private development of \$7,249,961, a decrease of \$2,288,938 from 2024. Operating expenses increased by \$6,824,980, with the majority coming from an increase in the contract services category of \$4,997,610.

Budgetary Highlights

General Fund Expenditure Budget Amendments

The original approved budget for the General Fund, which includes the Disaster Recovery and Replacement Fund, for 2024 was \$73,088,000. This amount was amended to \$78,639,153 during the year. Amendments for the year in expenses and transfers out between the original and the final amended budget were therefore \$2,366,376. Primary reasons for these budget amendments to the original budget were as follows:

- Major items that were expected to be purchased from 2023 and uncompleted projects that were re-appropriated by the City Council resulted in an increase of \$5,051,488. A transfer from the General Fund to the Water and Sewer Fund totaling \$4,000,000 for the construction of an 18-inch diameter waterline from Martin Luther King Boulevard to South School Avenue; Resolution 112-24. A transfer from the General Fund to the Parks Development Fund totaling \$1,000,000 for Walker Community Park improvements; Resolution 167-24. The amount transferred from the General Fund for these projects were part of a reimbursement of revenue losses from the American Rescue Plan Act that occurred during 2022 due to the COVID pandemic.
- The purchase of 27 acres, which includes the Woolsey Farmstead property, from the Utilities Department to be utilized for recreational programs and public use in the amount of \$271,910; Resolution 64-24.
- Assistance with the implementation of a Stormwater Management Utility Fee and establishment of a Stormwater Management Fund in the amount of \$150,000; Resolution 143-24.
- Raze and removal of dilapidated structures at multiple properties totaling \$118,644. (\$55,000 – 1893 North Stephen Carr Memorial Boulevard, Resolution 241-24; \$38,000 – 1909 North Stephen Carr Memorial Boulevard, Resolution 240-24; \$15,000 – 1965 North Stephen Carr Memorial Boulevard, Resolution 239-24; \$10,644 – 2141 North Green Acres Road, Resolution 65-24).
- Various grants recognized and appropriated totaling \$84,962. (\$40,600 – Selective Traffic Enforcement Project Grant received by the Police Department, Resolution 272-24; \$40,000 – Arkansas Historic Preservation Program Grant, Resolution 99-24; \$2,862 – Project Safe Neighborhood Grant received by the Police Department, Resolution 25-24; \$1,500 – Giving Tree Grant received by the YRCC, Resolution 118-24).
- Multiple donations from citizens and business totaling \$64,872. (\$41,174 – Various donations received for Fayetteville Animal Services, Resolution 308-24; \$20,000 – Donation received by Friends of YRCC for program activities offered by Yvonne Richardson Community Center, Resolution 100-24; \$3,550 – Various donations received by the Parks and Recreation Division, Resolution 106-24; \$148 – Donations received by the Police Department, Resolution 312-24).
- The addition of a temporary position in the Development Services Department in the amount of \$41,622; Resolution 200-24.
- Act 833 revenue appropriated for the purchase of Fire equipment totaling \$32,658, Resolution 248-24.
- Court Automation Fund revenue appropriated for equipment upgrades totaling \$30,000; Resolution 214-24.

- E-scooter revenue appropriations totaling \$30,000; Resolution 126-24.
- Police state and federal forfeitures in the amount of \$18,982; Resolution 313-24.
- A \$17,000 transfer to the Shop Fund to cover cost overruns on two expansion vehicles, Resolution 57-24.
- Appropriation of Hazmat services and response revenue received from Washington County in the amount of \$16,933; Resolutions 60-24 and 116-24.
- Appropriation of revenue received from Wal-Mart for Fire Department assistance at the shareholder's meeting totaling \$15,000; Resolution 247-24.
- Additional costs for the publication of Ordinances passed by City Council in the amount of \$7,500; Resolution 215-24.
- Motor pool charges for a Ford F150 that was purchased as a replacement vehicle for Building Services in the amount of \$7,440; Resolution 92-24.
- Youth injury mitigation training provided by Coach Safely Foundation in the amount of \$7,000; Resolution 37-24.

General Fund Variances Revenue Budget to Actual

Major variances between budget and actual amounts for revenues and incoming transfers were less than the amended budget amounts by the net amount of \$3,107,355. Specific revenue variances are as follows:

- Sales tax revenue was less than budget projections by \$1,308,635 for County shared sales tax and by \$1,313,404 for City sales tax. Alcoholic Beverage tax revenue was also less than budget projections by \$86,678.
- Intergovernmental revenue was less than the amended budget by \$1,323,364. This was primarily due to the collection of federal and state grant revenue being less than anticipated. Timing issues where the grant period doesn't coincide with the City's fiscal year are a factor.
- Franchise fees collected were \$493,145 less than the amended budget. This is mainly due to electric and gas utility companies not performing as well as expected.
- Nonoperating Miscellaneous revenue was less than the amended budget by \$386,826. Repayment by the Advertising & Promotions Commission for solar panels on the Town Center roof is being paid back in yearly installments.
- Property tax revenue was less than the budget projections by \$232,845.
- Contributions were less than the amended budget by \$50,565.
- The Gain/Loss on sale of assets account was greater than the amended budget projection by \$3,548.
- Charges for services revenue was greater than the amended budget by \$130,378. This is primarily due to the collection of planning fees being more than anticipated.
- Fines and forfeitures were greater than the amended budget by \$188,477.
- Miscellaneous revenue was greater than the amended budget by \$205,191. This is mainly due to the annual p-card rebate, interest earnings in the Payroll Fund, and an excess of health savings insurance payable.
- Licenses and Permits revenue was greater than amended budget projections by \$419,535. This is primarily due to an increase in building permits and alcoholic beverage licenses.
- Interest earnings revenue was greater than budget projections by \$1,140,969.

General Fund Expenditure Budget to Actual

Actual amounts for expenditures and outgoing transfers were less than budgeted by \$6,773,603. Primary reasons for this were as follows:

- \$3,886,014 was budgeted in 2024 for ongoing project expenses.
- The citywide personnel service expense category had a remaining budgeted balance of \$952,444 due to open positions and attrition during the year.
- The materials and supplies expense category had a remaining budgeted balance of \$254,799. (\$108,318 – fuel, \$61,908 – minor equipment, \$51,808 – office and other supplies, \$11,969 – chemicals & cleaning, \$9,012 – software, \$6,403 – Safety Devices, \$5,106 – signs, \$275 – other materials and supplies)

- The services and charges expense category had a remaining budgeted balance of \$812,189. (\$388,120 – contract/professional services, \$135,246 – insurance, \$85,384 – travel/training, \$64,736 – utilities/telephone, \$31,023 – publications/dues, \$24,140 – public notification, \$21,525 – rental/lease, \$21,353 – contingency, \$14,149 – uniforms, \$9,423 – promotional, \$5,558 – recognition, \$5,540 – bank charges, \$3,311 – business meals, \$2,681 – other services & charges)
- The maintenance expense category had a remaining budgeted balance of \$295,564. (\$147,275 – building & grounds maintenance, \$97,554 – office machine maintenance, \$28,163 – software maintenance, \$13,303 – radio maintenance, \$4,967 – small equipment maintenance, \$2,941 – vehicle & machine maintenance, \$1,361 – turf maintenance)
- Other expense categories had a remaining budgeted balance of \$261,442. (\$213,495 – operating transfers out, \$24,715 – capital, \$15,718 – motor pool, \$7,514 – transfers to outside entities)

Capital Asset and Debt Administration

Capital assets. As of December 31, 2024, the City's capital assets for its governmental activities and business-type activities amounted to \$888,515,867, including accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery, vehicles, equipment, and infrastructure. The City's capital assets increased by \$53,308,974 including depreciation.

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

- Total additions to infrastructure assets of the general government, such as streets, sidewalks, trails, and storm drains, in 2024 were \$30,346,662, including \$5,379,835 donated by private developers.
- The City's Sales Tax 2019 Construction Fund had capital expenses of \$4,376,128 in 2024. The major project expenses included in this fund were \$2,617,284 for street projects, \$400,205 for economic development projects, \$159,912 for arts corridor projects, and \$651,450 for fire projects.
- The City's Sales Tax 2022 Construction Fund had capital expenses of \$34,317,343 in 2024. The major project expenses included in this fund were \$14,736,699 for street projects, \$3,381,386 for trails projects, \$2,518,427 for parks projects, \$8,004,243 for arts corridor projects, and \$4,641,376 for fire projects.
- Total Water and Sewer fund capital asset additions for 2024 were \$33,484,500 which included \$7,249,961 of water and sewer lines donated by private developers.
- Depreciation expense totaled \$46,404,339 for 2024.

Additional information on the City's capital assets can be found in note 4.B starting on page 52 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding including premiums and discounts of \$125,676,156. This is a decrease of \$17,849,050 from 2023. The City also had \$834,173 in leases and SBITAs payable at year end. The majority of the City's debt represents bonds secured solely by specified revenue sources (i.e., sales and use tax bonds, revenue bonds). Debt secured by sales and use taxes totaled \$87,585,000. The City's bond, notes, and lease payments were \$32,099,428 and premium and discount amortizations of \$604,617.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20% of its total assessed valuation for long-term debt and 5% for short-term debt. The City's current debt limit for both is \$681,394,593, with short-term debt limited to \$136,278,918 of the total allowed. The City had \$105,065 in short-term general obligation debt at year-end. The City also had \$1,796,160 in long-term debt payable with a pledge of the incremental property tax increases of the Highway 71 East Square Redevelopment District #1 at the end of 2024.

Additional information on the City's long-term debt can be found in note 5.F starting on page 69 of this report.

Economic Factors and Next Year's Budgets and Rates

Compared to 2023, in the City of Fayetteville, revenues for all funds in 2024 decreased by \$2.9 million, while expenditures increased approximately \$2.8 million. Revenues in the General Governmental Activities decreased by \$2.6 million for the year when compared to 2023. However, it is important to consider that in 2023 the City recognized approximately \$5.1 million in intergovernmental revenues related to the American

Rescue Plan Act (ARPA) award. This ARPA funding was provided to the City of Fayetteville for use in offsetting revenue losses related to the pandemic.

City-wide revenue collections were led by collections in charges for services and property taxes, which both exceeded 2023 collections by approximately \$2.2 million and \$1.2 million, respectively. Sales tax revenues were up approximately \$2.4 million.

The General Fund adopted operating budget for 2025 was changed to \$74.3 million which was a \$4.0 million increase from the 2024 budget. A total of 21.6 new positions were added to the overall budget as needs changed due to a changed demand for City wide programs as well as infrastructure expansions achieved through the use of the 2019 bond program.

A new compensation plan based on a salary survey was implemented to maintain a competitive recruitment and retention program for police officers and firefighters has been added to the 2025 budget in April 2025. This program will not only keep the City competitive in the marketplace but will also ensure the City that the Police Force and Fire Department will retain its current high level of quality of officers. Merit employee salary pools were also changed approximately 4.5% in early 2025 as part of the salary plan to retain employees as well as recruit new personnel. The total budgetary impact of this plan in 2025 is \$2.7 million to the General Fund and \$625,000 to all other funds.

The total 2025 City-wide operating budget approved in December 2024 was approximately \$254.3 million. This was an increase of 5.23%, or \$12.6 million, over the 2024 budget. Approximately \$5.3 million of this increase was due to increased personnel expenditures, which is due to salary increases given in 2024 and new personnel added in 2024 and 2025. Purchased water expenses were increased in the operating budget by \$3.1 million.

Debt Service expenditures were decreased in the 2025 budget by \$965 thousand, and Capital expenditures were projected at \$1.5 million less than the 2024 budget.

In 2022, phase two of a sales tax revenue bond program previously authorized by the voter in 2019 was implemented. This resulted in the sale of \$74,340,000 in sales tax revenue bonds available for anticipated infrastructure programs. In 2024, the final phase of the 2019 voter-authorized sales tax revenue bonds was implemented. This resulted in the sale of \$15,000,000 of the bonds available for infrastructure projects. Since these are revenue bonds fully secured by sales taxes pledged to the associated debt service payments, there will be no additional financial burden on the City. The impact of the bonds issued continues to provide funding for additional infrastructure projects pursuant to the approved bond referendum.

The City of Fayetteville's Mayor and City Council have a long-established practice of making annual budgetary decisions for the General Fund in the context of a multi-year forecast that considers revenue growth, staffing needs, and unrestricted reserve levels, as well as reviewing the performance of the local economy to determine if continued economic expansion can be expected. This process provides the Mayor and City Council with a comfort level that current needs are being addressed. Public safety issues are traditionally the first priority, and this remained the same for the 2024 budget. The Mayor continues to formulate proposed budgets in the framework of two overriding objectives which are to protect necessary jobs and to maintain or increase the same level of services to the citizens wherever possible. Estimated salary increases for City employees for 2024 were incorporated in the General Fund budget. However, the financial results of the survey previously referenced indicated the need for salary increases much larger than anticipated in the original 2024 budget. Final recommendations which were based on that survey were considered and adopted early in 2024, and appropriate amendments were made to the Cities' operating budgets to allow implementation of the plan.

Although the lingering effects of the coronavirus pandemic continue to impact the national economy in 2024, City management believes that Fayetteville is in an excellent financial position to either expand or contract financial operations based on economic conditions because of the following factors:

- Unemployment for Fayetteville was 2.8% at year-end, and it remains relatively low compared to the percentages of Arkansas and the U. S. which were 3.6 % and 4.1%, respectively.

- The population, as evidenced by the census completed in 2020, showed Fayetteville had grown by 20,369, or 27 %, over the period between 2010 and 2020.
- Sales and use tax collections (which are the primary source of funding for the General Fund) increased by approximately \$2.4 million compared to the prior year. This was a 2.6% increase over 2023 collections.
- Building permit revenues were very strong recording a \$600,091 increase over 2023. This represented a 27.2% increase in collections. The number of new permits were 11.3% over 2023.
- Assessed value for total property within the City has shown stable growth through the years and continued to increase by 10% throughout the City in 2024.

One of the primary goals of the City is to maintain a minimum unassigned fund balance in the General Fund of 16.4% of operating expenditures. The \$38.3 million unassigned fund balance at the end of 2024 is estimated to provide approximately 49.4% of the adjusted operating expenditures. This should be sufficient to provide a level of enhanced financial security in the near term.

At the end of the first quarter of fiscal 2025, total revenues were below estimates, while expenditures were in line with projections. However, sales and use tax revenues were approximately 2.3% over budget for the quarter.

The City continues to face uncertain economic conditions in 2025. However, even though these economic conditions may be volatile in the short term and future conditions remain unclear at this time, the administration of the City feels confident that the economic future of Fayetteville remains very bright in the long run.

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Accounting Director, City of Fayetteville, 113 West Mountain Street, Fayetteville, Arkansas, 72701.

City of Fayetteville, Arkansas
Statement of Net Position
December 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Library	Advertising & Promotion
Assets and Deferred Outflows of Resources					
Assets:					
Cash	\$ 12,629,266	\$ 474,829	\$ 13,104,095	\$ 5,928,678	\$ 3,831,021
Investments	119,030,439	45,000,170	164,030,609	2,772,888	1,714,446
Accounts receivable	2,267,485	9,740,294	12,007,779	11,270,519	160,656
Accounts receivable - leases	1,073,384	1,582,196	2,655,580	-	-
Accrued interest	960,202	327,927	1,288,129	16,430	-
Internal balances	(12,434,234)	12,434,234	-	-	-
Due from other governments	20,799,911	580,144	21,380,055	-	-
Inventories	293,272	2,216,769	2,510,041	-	21,449
Prepays and other assets	1,049,751	33,066	1,082,817	128,711	85,675
Restricted Assets:					
Cash and cash equivalents	301,112	-	301,112	1,171,061	-
Investments	65,559,548	-	65,559,548	4,320,314	-
Accrued interest	107,865	-	107,865	11,438	-
Due from other governments	6,731,618	-	6,731,618	-	-
Capital assets					
Land	77,986,684	17,659,510	95,646,194	2,029,755	198,621
Buildings	161,188,728	128,037,701	289,226,429	32,991,395	3,964,099
Improvements other than buildings	65,393,431	531,935,997	597,329,428	-	-
Machinery, equipment and vehicles	93,581,105	43,820,707	137,401,812	14,801,351	1,185,101
Construction in progress	10,603,376	-	10,603,376	-	456,456
Infrastructure	465,239,915	-	465,239,915	-	-
Right to use lease & subscription assets	770,137	368,400	1,138,537	-	-
Accumulated depreciation	(379,739,686)	(327,330,138)	(707,069,824)	(16,672,616)	(1,745,399)
Total assets	713,393,309	466,881,806	1,180,275,115	58,769,924	9,872,125
Deferred outflows of resources:					
Deferred outflows - pensions	22,315,610	-	22,315,610	-	-
Deferred outflows - OPEB	218,590	-	218,590	-	-
Deferred loss on debt refunding	7,341	-	7,341	-	-
Total deferred outflows of resources	22,541,541	-	22,541,541	-	-
Total assets and deferred outflows of resources	\$ 735,934,850	\$ 466,881,806	\$ 1,202,816,656	\$ 58,769,924	\$ 9,872,125
Liabilities and Deferred Inflows of Resources					
Liabilities:					
Accounts payable	\$ 7,880,873	\$ 11,365,184	\$ 19,246,057	\$ 162,262	\$ 195,285
Accrued expenses	1,526,661	333,106	1,859,767	527,321	34,659
Accrued interest	5,509,507	4,809	5,514,316	-	-
Due to fiduciary funds	11,705	-	11,705	-	-
Due to other funds	159,836	35,135	194,971	-	-
Due to primary government	-	-	-	-	386,826
Customer deposits	-	1,264,873	1,264,873	-	-
Unearned revenue	10,456,657	-	10,456,657	509,982	106,340
Noncurrent liabilities					
Due within one year:					
Bonds/notes payable	13,590,000	-	13,590,000	581,347	-
Lease payable and subscription payable	105,065	62,201	167,266	-	-
Compensated absences	736,981	137,314	874,295	-	-
Due beyond one year:					
Bonds/notes payable	111,508,453	5,385,747	116,894,200	-	-
Lease and subscription payable	472,638	194,269	666,907	-	-
Compensated absences	11,577,933	1,790,893	13,368,826	-	-
Net pension liability	61,822,110	-	61,822,110	-	-
Other postemployment benefits	2,109,331	-	2,109,331	-	-
Total liabilities	227,467,750	20,573,531	248,041,281	1,780,912	723,110
Deferred inflows of resources:					
Deferred inflows - leases	1,027,874	1,518,487	2,546,361	-	-
Deferred inflows - pensions	3,112,212	-	3,112,212	-	-
Total deferred inflows of resources	4,140,086	1,518,487	5,658,573	-	-
Total liabilities and deferred inflows of resources	231,607,836	22,092,018	253,699,854	1,780,912	723,110
Net Position					
Net investment in capital assets	425,939,639	382,576,487	808,516,126	32,568,538	9,079,724
Restricted for:					
Debt service	17,508,413	-	17,508,413	-	-
Transportation and parking	12,640,116	-	12,640,116	-	-
Public safety	3,206,984	-	3,206,984	-	-
Parks and recreation	8,620,402	-	8,620,402	8,155,760	-
Water and wastewater	9,826,559	-	9,826,559	-	-
Other	-	-	-	-	-
Unrestricted (deficit)	26,584,901	62,213,301	88,798,202	16,264,714	69,291
Total net position	\$ 504,327,014	\$ 444,789,788	\$ 949,116,802	\$ 56,989,012	\$ 9,149,015

The notes to the financial statements are an integral part of this statement.

City of Fayetteville, Arkansas
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Library	Advertising & Promotion
Primary government:									
Governmental activities:									
General Government	\$ 19,469,004	\$ 1,742,172	\$ 7,166,208	\$ -	\$ (10,560,624)	\$ -	\$ (10,560,624)	\$ -	\$ -
Finance and internal services	7,914,762	603,539	-	-	(7,311,223)	-	(7,311,223)	-	-
Public Safety	43,350,798	2,451,887	3,656,046	220,000	(37,022,865)	-	(37,022,865)	-	-
Community planning and engineering	6,936,551	3,359,060	1,071,329	1,268,720	(1,237,442)	-	(1,237,442)	-	-
Transportation and parking	27,132,660	3,571,862	9,601,702	5,152,283	(8,806,813)	-	(8,806,813)	-	-
Parks and recreation	12,159,121	2,220,192	696,593	23,562	(9,218,774)	-	(9,218,774)	-	-
Bond issuance costs	240,805	-	-	-	(240,805)	-	(240,805)	-	-
Debt service	4,929,169	-	-	-	(4,929,169)	-	(4,929,169)	-	-
Total governmental activities	<u>122,132,870</u>	<u>13,948,712</u>	<u>22,191,878</u>	<u>6,664,565</u>	<u>(79,327,715)</u>	<u>-</u>	<u>(79,327,715)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Airport	5,074,577	3,845,495	-	993,026	-	(236,056)	(236,056)	-	-
Recycling and trash	17,182,357	16,352,306	18,685	-	-	(811,366)	(811,366)	-	-
Water and sewer	58,993,738	52,385,992	-	6,467,997	-	(139,749)	(139,749)	-	-
Total business-type activities	<u>81,250,672</u>	<u>72,583,793</u>	<u>18,685</u>	<u>7,461,023</u>	<u>-</u>	<u>(1,187,171)</u>	<u>(1,187,171)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 203,383,542</u>	<u>\$ 86,532,505</u>	<u>\$ 22,210,563</u>	<u>\$ 14,125,588</u>	<u>(79,327,715)</u>	<u>(1,187,171)</u>	<u>(80,514,886)</u>	<u>-</u>	<u>-</u>
Component Units:									
Library	14,644,063	736,579	4,035,396	2,581,554	-	-	-	(7,290,534)	-
Advertising and promotion	5,963,679	1,036,625	80,966	-	-	-	-	-	(4,846,088)
Total component units	<u>\$ 20,607,742</u>	<u>\$ 1,773,204</u>	<u>\$ 4,116,362</u>	<u>\$ 2,581,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,290,534)</u>	<u>(4,846,088)</u>
General revenues:									
Taxes & fees									
General purpose sales and use tax					91,969,736	108,909	92,078,645	-	-
Property taxes					9,294,596	-	9,294,596	9,814,219	-
Franchise fees					7,282,355	454,374	7,736,729	-	-
Hotel, motel, restaurant taxes					5,290,374	-	5,290,374	-	5,267,699
Impact fees					3,267,731	-	3,267,731	-	-
Investment earnings					8,799,766	1,881,512	10,681,278	813,864	139,760
Other					435,055	1,536,257	1,971,312	29,849	-
Transfers					(6,483,434)	6,483,434	-	-	-
Total general revenues and transfers					<u>119,856,179</u>	<u>10,464,486</u>	<u>130,320,665</u>	<u>10,657,932</u>	<u>5,407,459</u>
Change in net position					<u>40,528,464</u>	<u>9,277,315</u>	<u>49,805,779</u>	<u>3,367,398</u>	<u>561,371</u>
Net position, beginning of year					<u>463,798,550</u>	<u>435,512,473</u>	<u>899,311,023</u>	<u>53,621,614</u>	<u>8,587,644</u>
Net position, end of year					<u>\$ 504,327,014</u>	<u>\$ 444,789,788</u>	<u>\$ 949,116,802</u>	<u>\$ 56,989,012</u>	<u>\$ 9,149,015</u>

The notes to the financial statements are an integral part of this statement.

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City of Fayetteville, Arkansas
Balance Sheet
Governmental Funds
December 31, 2024

	General	Debt Service	Special Revenue
		Sales Tax Improvement Bonds	Parks Development
Assets			
Assets			
Cash	\$ 9,013,828	\$ -	\$ 380,843
Investments	33,480,137	-	12,368,859
Accounts receivable	1,643,966	-	418,205
Accounts receivable - leases	249,331	-	-
Accrued interest	232,981	-	85,823
Due from other funds	113,086	-	-
Due from other governments	14,881,578	-	23,562
Prepaid expenditures and other assets	820,618	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	6,888,442	-
Accrued interest	-	23,475	-
Due from other funds	-	-	-
Due from other governments	-	5,977,354	-
Total assets	\$ 60,435,525	\$ 12,889,271	\$ 13,277,292
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 1,603,627	\$ -	\$ 276,410
Accrued expenditures	1,338,351	-	60,066
Due to other funds	22,416	-	3,236
Due to fiduciary funds	11,705	-	-
Unearned revenue	4,087,166	-	4,385,023
Total liabilities	7,063,265	-	4,724,735
Deferred inflows of resources			
Unavailable revenue - grants and accounts receivable	-	-	-
Unavailable revenue - taxes	10,279,344	3,130,269	-
Unavailable revenue - leases	238,680	-	-
Total deferred inflows of resources	10,518,024	3,130,269	-
Total liabilities and deferred inflows of resources	17,581,289	3,130,269	4,724,735
Fund balances			
Nonspendable:			
Prepays	141,791	-	-
Restricted for:			
General government	-	-	-
Finance and internal services	-	-	-
Transportation and parking	-	-	-
Public safety	442,365	-	-
Community planning and engineering	116,448	-	-
Parks and recreation	67,845	-	8,552,557
Water and wastewater	-	-	-
Debt service	-	9,759,002	-
Committed to:			
General government	50,023	-	-
Community planning and engineering	258,177	-	-
Disaster recovery	3,000,000	-	-
Assigned to:			
General government	50,364	-	-
Finance and internal services	218,938	-	-
Transportation and parking	-	-	-
Public safety	49,080	-	-
Community planning and engineering	99,014	-	-
Capital outlay	-	-	-
Unassigned fund balances	38,360,191	-	-
Total fund balances	42,854,236	9,759,002	8,552,557
Total liabilities, deferred inflows of resources and fund balances	\$ 60,435,525	\$ 12,889,271	\$ 13,277,292

The notes to the financial statements are an integral part of this statement.

Capital Project			
Sales Tax Capital Improvement	Sales Tax 2022 Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,234,595	\$ 12,629,266
16,570,012	-	26,046,687	88,465,695
-	-	10,343	2,072,514
-	-	824,053	1,073,384
114,973	127,866	186,482	748,125
-	-	22,417	135,503
2,740,169	-	3,154,602	20,799,911
-	-	4,008	824,626
-	301,112	-	301,112
-	37,521,465	21,149,641	65,559,548
-	-	84,390	107,865
-	1,281	-	1,281
-	-	754,264	6,731,618
<u>\$ 19,425,154</u>	<u>\$ 37,951,724</u>	<u>\$ 55,471,482</u>	<u>\$ 199,450,448</u>
\$ 1,080,205	\$ 4,067,744	\$ 726,468	\$ 7,754,454
-	-	130,137	1,528,554
-	44,405	48,179	118,236
-	-	-	11,705
69,386	-	1,897,816	10,439,391
<u>1,149,591</u>	<u>4,112,149</u>	<u>2,802,600</u>	<u>19,852,340</u>
-	-	184,617	184,617
1,601,335	-	2,787,318	17,798,266
-	-	789,194	1,027,874
<u>1,601,335</u>	<u>-</u>	<u>3,761,129</u>	<u>19,010,757</u>
<u>2,750,926</u>	<u>4,112,149</u>	<u>6,563,729</u>	<u>38,863,097</u>
-	-	4,008	145,799
-	1,238,939	2,450,292	3,689,231
-	2,264,264	-	2,264,264
2,687,278	15,157,647	22,680,435	40,525,360
-	640,124	2,124,495	3,206,984
-	7,149,023	520,422	7,785,893
-	7,389,578	4,841,845	20,851,825
-	-	9,826,559	9,826,559
-	-	3,903,264	13,662,266
-	-	112,763	162,786
-	-	-	258,177
-	-	-	3,000,000
-	-	-	50,364
-	-	-	218,938
-	-	2,503,490	2,503,490
-	-	-	49,080
-	-	-	99,014
13,986,950	-	-	13,986,950
-	-	(59,820)	38,300,371
<u>16,674,228</u>	<u>33,839,575</u>	<u>48,907,753</u>	<u>160,587,351</u>
<u>\$ 19,425,154</u>	<u>\$ 37,951,724</u>	<u>\$ 55,471,482</u>	<u>\$ 199,450,448</u>

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

Total fund balances - governmental funds \$ 160,587,351

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

Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 77,970,428	
Buildings	158,550,030	
Improvements other than buildings	65,393,431	
Machinery, equipment, and vehicles	37,855,543	
Construction in progress	10,603,376	
Infrastructure	465,239,915	
Right to use lease asset	668,610	
Accumulated depreciation and amortization	<u>(343,339,857)</u>	
 Total	 <u>\$ 472,941,476</u>	 472,941,476

Some revenues in the governmental funds are not collected within the prescribed time period after year-end and, therefore, are considered unavailable. These revenues are recognized on the full accrual basis in the government-wide financial statements. 18,019,913

Internal service funds are used by management to charge the costs of the City's fleet management to the individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. 40,518,160

Long-term liabilities and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds, notes, leases payable, net	\$ 125,615,465	
Interest payable	5,505,196	
Net pension liability	61,822,110	
Other postemployment benefits	2,109,331	
Compensated absences	12,117,114	
Deferred loss on refunding debt	(7,341)	
Deferred inflows - pensions	3,112,212	
Deferred outflows - pensions	(22,315,610)	
Deferred outflows - OPEB	<u>(218,590)</u>	
 Total	 <u>\$ 187,739,886</u>	 <u>(187,739,886)</u>

Governmental activities net position \$ 504,327,014

The notes to the financial statements are an integral part of this statement.

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Sales Tax Improvement Bonds	Parks Development
Revenues:			
Sales and alcoholic beverage tax	\$ 46,047,285	\$ 32,365,993	\$ -
Hotel, motel, restaurant tax	-	-	5,290,374
Property tax	5,095,155	-	-
Impact fees	-	-	-
Franchise Fee	7,282,355	-	-
Intergovernmental	4,321,189	-	243,562
Licenses and permits	3,354,035	-	-
Charges for services	3,624,310	-	1,373,376
Fines and forfeitures	1,181,478	-	-
Investment earnings	1,155,214	573,721	209,717
Net change in fair value of investments	540,756	-	135,425
Contributions	92,103	-	678,410
Other	471,542	-	2,334
Total revenues	73,165,422	32,939,714	7,933,198
Expenditures:			
Current:			
General government	8,315,119	-	-
Finance and internal services	6,717,908	-	-
Public Safety	45,122,206	-	-
Community planning and engineering	5,709,783	-	-
Transportation and parking	-	-	-
Parks and recreation	4,295,863	-	3,675,721
Bond issue costs	-	-	-
Debt Service	538,552	32,994,580	-
Capital outlay	1,166,119	-	2,769,614
Total expenditures	71,865,550	32,994,580	6,445,335
Excess (deficiency) of revenues over (under) expenditures	1,299,872	(54,866)	1,487,863
Other financing sources (uses):			
Transfers in	-	12,985	1,000,000
Transfers out	(5,674,434)	-	(154,486)
Issuance of leases & SBITAs	357,164	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	(5,317,270)	12,985	845,514
Net change in fund balances	(4,017,398)	(41,881)	2,333,377
Fund balances, beginning of year, as previously reported	46,871,634	9,800,883	6,219,180
Changes within financial reporting entity:			
Change from major fund to nonmajor fund	-	-	-
Fund balances, beginning of year, as adjusted or restated	46,871,634	9,800,883	6,219,180
Fund balances, end of year	\$ 42,854,236	\$ 9,759,002	\$ 8,552,557

The notes to the financial statements are an integral part of this statement.

Special Revenue Formerly Major Fund American Rescue Plan Act	Capital Project			Nonmajor Governmental Funds	Total Governmental Funds
	Sales Tax Capital Improvement	Formerly Major Fund Sales Tax 2019 Construction	Sales Tax 2022 Construction		
\$ -	\$ 12,946,397	\$ -	\$ -	\$ -	\$ 91,359,675
-	-	-	-	-	5,290,374
-	-	-	-	2,592,414	7,687,569
-	-	-	-	3,267,731	3,267,731
-	-	-	-	-	7,282,355
-	44,000	-	-	16,083,445	20,692,196
-	-	-	-	-	3,354,035
-	175,573	-	-	2,017,493	7,190,752
-	-	-	-	424,363	1,605,841
-	487,228	-	2,640,500	1,350,745	6,417,125
-	197,638	-	-	346,466	1,220,285
-	-	-	-	3,565,735	4,336,248
-	50,457	-	-	73,126	597,459
-	13,901,293	-	2,640,500	29,721,518	160,301,645
-	1,975,456	-	-	2,873,448	13,164,023
-	569,243	-	-	-	7,287,151
-	1,622,971	-	68,793	3,416,370	50,230,340
-	112,481	-	-	1,068,888	6,891,152
-	1,510,752	-	1,171,333	10,167,733	12,849,818
-	514,012	-	-	1,400	8,486,996
-	-	-	3,725	237,080	240,805
-	-	-	-	4,608,246	38,141,378
-	7,845,205	-	34,317,313	6,912,956	53,011,207
-	14,150,120	-	35,561,164	29,286,121	190,302,870
-	(248,827)	-	(32,920,664)	435,397	(30,001,225)
-	-	-	-	620,633	1,633,618
-	(1,172,288)	-	-	(4,550,286)	(11,551,494)
-	-	-	-	-	357,164
-	-	-	-	14,941,499	14,941,499
-	(1,172,288)	-	-	11,011,846	5,380,787
-	(1,421,115)	-	(32,920,664)	11,447,243	(24,620,438)
103,979	18,095,343	7,302,903	66,760,239	30,053,628	185,207,789
(103,979)	-	(7,302,903)	-	7,406,882	-
-	18,095,343	-	66,760,239	37,460,510	185,207,789
\$ -	\$ 16,674,228	\$ -	\$ 33,839,575	\$ 48,907,753	\$ 160,587,351

City of Fayetteville, Arkansas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds	\$	(24,620,438)
Amounts reported for the governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		32,617,189
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,261,916
The issuance of long-term debt such as bonds and leases provide current financial resources to the governmental funds, while the repayment consumes current financial resources. Neither transaction has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is issued; however these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		17,910,849
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Compensated absence expense increased for 2024.		(905,206)
Increase/ decrease in expenses in the statement of activities for net pension liability and other postemployment benefits.		9,027,365
Internal service funds are used by management to charge the costs of the fleet (Shop Fund) to the individual funds. The net revenue of certain activities of the Shop Fund is reported with governmental activities.		5,236,789
Change in net position of governmental activities	\$	40,528,464

The notes to the financial statements are an integral part of this statement.

City of Fayetteville, Arkansas
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Sales tax	\$ 48,756,000	\$ 48,756,000	\$ 46,047,285	\$ (2,708,715)
Property tax	5,328,000	5,328,000	5,095,155	(232,845)
Franchise Fee	7,775,500	7,775,500	7,282,355	(493,145)
Intergovernmental	3,373,000	5,632,053	4,321,189	(1,310,864)
Licenses and permits	2,934,500	2,934,500	3,354,035	419,535
Charges for services	3,477,000	3,493,933	3,624,310	130,377
Fines and forfeitures	993,000	993,000	1,181,478	188,478
Investment earnings	555,000	555,000	1,155,214	600,214
Net decrease in the fair value of investments	-	-	540,756	540,756
Contributions	69,000	155,169	92,103	(63,066)
Other	185,000	649,622	471,542	(178,080)
Total revenues	<u>73,446,000</u>	<u>76,272,777</u>	<u>73,165,422</u>	<u>(3,107,355)</u>
Expenditures				
General Government				
Mayor	357,529	378,439	349,612	28,827
Disaster Recovery and Replacement	2,200	301,706	6,807	294,899
City Council	225,054	239,169	214,280	24,889
City Attorney	554,482	588,582	579,625	8,957
City Prosecutor	844,772	869,094	839,915	29,179
District Judge	121,421	163,857	127,870	35,987
Chief of Staff	282,398	291,990	248,751	43,239
Communications & Marketing	457,119	479,117	458,108	21,009
Economic Development	658,505	675,648	634,345	41,303
Government Media Services	345,313	372,578	340,180	32,398
Internal Audit	103,136	114,811	111,913	2,898
City Clerk	507,373	529,862	520,064	9,798
District Court Criminal	466,247	415,085	380,322	34,763
District Court Probations	36,231	38,472	35,113	3,359
District Court Small Claims	415,180	434,744	398,937	35,807
Library	1,812,401	1,812,401	1,812,401	-
Miscellaneous	4,123,447	3,287,106	2,367,053	920,053
Cost allocation	(1,114,617)	(1,114,617)	(1,114,617)	-
Total General Government	<u>10,198,191</u>	<u>9,878,044</u>	<u>8,310,679</u>	<u>1,567,365</u>
Finance and Internal Services				
Finance Director	367,700	386,204	382,403	3,801
Human Resources	721,886	765,565	720,650	44,915
Employee Development	1,131,295	1,045,335	817,191	228,144
Accounting and Audit	1,136,598	1,190,705	1,152,202	38,503
Budget and Research	416,231	421,259	369,575	51,684
General Maintenance	738,171	752,299	720,245	32,054
Janitorial	477,580	492,880	449,468	43,412
Purchasing	472,028	488,690	478,368	10,322
Information Technology	2,718,293	2,718,117	2,609,252	108,865
GIS	567,629	582,586	566,545	16,041
Cost allocation	(1,547,991)	(1,547,991)	(1,547,991)	-
Total Finance and Internal Services	<u>7,199,420</u>	<u>7,295,649</u>	<u>6,717,908</u>	<u>577,741</u>
Public Safety				
Central Dispatch	2,270,204	2,412,729	1,910,126	502,603
Police Support Services	5,038,543	5,491,905	5,252,649	239,256
Police Projects	-	2,687,501	336,954	2,350,547
Police Patrol	19,197,409	19,177,946	18,716,373	461,573
Fire Prevention	1,159,573	1,303,330	1,040,286	263,044
Fire Operations	16,765,551	17,500,757	17,200,202	300,555
Fire Training	506,719	664,695	646,050	18,645
Fire Hazmat	44,819	55,947	51,465	4,482
Cost allocation	(31,899)	(31,899)	(31,899)	-
Total Public Safety	<u>44,950,919</u>	<u>49,262,911</u>	<u>45,122,206</u>	<u>4,140,705</u>

The notes to the financial statements are an integral part of this statement.

City of Fayetteville, Arkansas
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Continued)
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Community Planning and Engineering				
Public Works Director	\$ 200,336	\$ 209,701	\$ 207,467	\$ 2,234
Development Senior Director	364,208	419,386	386,930	32,456
Engineering Operations and Administration	1,081,665	1,092,427	1,066,292	26,135
Engineering Land Acquisition	67,380	99,947	96,554	3,393
Engineering Public Construction	492,865	400,470	379,911	20,559
Development Review	679,695	699,680	628,084	71,596
Sustainability and Resilience	467,716	494,246	379,156	115,090
Long Range Planning	216,000	224,515	202,415	22,100
Planning Commission	45,994	47,340	45,921	1,419
Building Safety	1,442,754	1,453,543	1,282,827	170,716
Community Resource Administration	232,276	251,673	231,333	20,340
Animal Patrol	540,377	526,543	509,931	16,612
Animal Shelter	522,510	570,116	548,128	21,988
Animal Services Projects	-	168,771	54,856	113,915
Veterinarian Management	259,935	269,824	265,267	4,557
Cost allocation	(575,289)	(575,289)	(575,289)	-
Total Community Planning and Engineering	<u>6,038,422</u>	<u>6,352,893</u>	<u>5,709,783</u>	<u>643,110</u>
Parks and Recreation				
Swimming Pool	202,501	208,151	183,591	24,560
Administration/Recreation Programs	1,331,677	1,383,811	1,262,318	121,493
Arts and Culture	315,882	326,456	285,279	41,177
Yvonne Richardson Community Center	439,496	499,914	435,765	64,149
Lake Recreation	95,690	95,690	76,035	19,655
Park and recreation	4,690	4,895	4,440	455
Park Maintenance	2,193,843	2,305,360	2,052,875	252,485
Total Parks and Recreation	<u>4,583,779</u>	<u>4,824,277</u>	<u>4,300,303</u>	<u>523,974</u>
Debt service	-	-	538,552	(538,552)
Capital outlay	117,269	1,025,379	1,166,119	(140,740)
Total General Fund expenditures	<u>73,088,000</u>	<u>78,639,153</u>	<u>71,865,550</u>	<u>6,773,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>358,000</u>	<u>(2,366,376)</u>	<u>1,299,872</u>	<u>3,666,248</u>
Other financing sources (uses)				
Transfers out	(305,000)	(5,719,858)	(5,674,434)	45,424
Issuance of leases & SBITAs	-	-	357,164	357,164
Total other financing sources (uses)	<u>(305,000)</u>	<u>(5,719,858)</u>	<u>(5,317,270)</u>	<u>402,588</u>
Revenues Disaster Recovery and Replacement				
Total revenues	-	-	-	-
Expenditures Disaster Recovery and Replacement				
Total Expenditures	-	-	-	-
Total Capital Outlay	-	-	-	-
Total Disaster and Recovery Fund Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in General Fund and Disaster Recovery and Replacement combined	<u>53,000</u>	<u>(8,086,234)</u>	<u>(4,017,398)</u>	<u>4,068,836</u>
General Fund balances, beginning of year	<u>46,871,634</u>	<u>46,871,634</u>	<u>46,871,634</u>	<u>-</u>
General Fund balances, end of year	<u>\$ 46,924,634</u>	<u>\$ 38,785,400</u>	<u>\$ 42,854,236</u>	<u>\$ 4,068,836</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Parks Development Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel, motel, restaurant tax	\$ 5,198,000	\$ 5,198,000	\$ 5,290,374	\$ 92,374
Intergovernmental	-	343,562	243,562	(100,000)
Charges for services	140,000	2,056,711	1,373,376	(683,335)
Investment earnings	89,000	89,000	209,717	120,717
Net change in fair value of investments	-	-	135,425	135,425
Contributions	-	1,397,288	678,410	(718,878)
Other	-	-	2,334	2,334
Total revenues	<u>5,427,000</u>	<u>9,084,561</u>	<u>7,933,198</u>	<u>(1,151,363)</u>
Expenditures:				
Park and recreation	4,067,000	4,661,417	3,675,721	985,696
Capital outlay	1,000,000	7,066,260	2,769,614	4,296,646
Total expenditures	<u>5,067,000</u>	<u>11,727,677</u>	<u>6,445,335</u>	<u>5,282,342</u>
Excess of revenues over expenditures	<u>360,000</u>	<u>(2,643,116)</u>	<u>1,487,863</u>	<u>4,130,979</u>
Other financing sources (uses):				
Transfers in	-	1,000,000	1,000,000	-
Transfers out	(60,000)	(171,500)	(154,486)	17,014
Total other financing sources (uses)	<u>(60,000)</u>	<u>828,500</u>	<u>845,514</u>	<u>17,014</u>
Net change in fund balances	<u>300,000</u>	<u>(1,814,616)</u>	<u>2,333,377</u>	<u>4,147,993</u>
Fund balances, beginning of year	<u>6,219,180</u>	<u>6,219,180</u>	<u>6,219,180</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,519,180</u>	<u>\$ 4,404,564</u>	<u>\$ 8,552,557</u>	<u>\$ 4,147,993</u>

City of Fayetteville, Arkansas
Statement of Fund Net Position
Proprietary Funds
December 31, 2024

	<u>Recycling and Trash Collection</u>	<u>Water and Sewer</u>	<u>Airport Fund Nonmajor Enterprise Fund</u>
Assets and Deferred Outflows of Resources			
Current assets			
Cash	\$ 69,609	\$ 304,223	\$ 100,997
Investments	6,381,976	37,823,756	794,438
Accounts receivable	2,279,195	7,345,433	115,666
Accounts receivable - leases	-	1,001,465	580,731
Accrued interest	44,282	265,156	18,489
Due from other funds	-	124	-
Due from other governments	9,935	-	570,209
Inventory	37,404	2,063,043	116,322
Prepaid expenses and other assets	22,809	867	9,390
Total current assets	<u>8,845,210</u>	<u>48,804,067</u>	<u>2,306,242</u>
Noncurrent assets			
Capital assets			
Land	25,108	13,884,269	3,750,133
Buildings	6,931,207	102,272,907	18,833,587
Improvements other than buildings	3,090,989	500,531,503	28,313,505
Machinery, equipment and vehicles	2,616,464	40,168,899	1,035,344
Subscription asset	368,400	-	-
Less accumulated depreciation	(9,854,363)	(278,366,292)	(39,109,483)
Total capital assets, net	<u>3,177,805</u>	<u>378,491,286</u>	<u>12,823,086</u>
Total noncurrent assets	<u>3,177,805</u>	<u>378,491,286</u>	<u>12,823,086</u>
Total assets	<u>12,023,015</u>	<u>427,295,353</u>	<u>15,129,328</u>
Liabilities and Deferred Inflows of resources			
Current liabilities			
Accounts payable	897,843	10,234,631	232,710
Accrued interest payable	4,809	-	-
Accrued expenses	137,312	178,262	34,336
Subscription lease payable	62,201	-	-
Compensated absences	55,901	73,707	7,706
Due to other funds	3,854	13,498	979
Customer deposits	-	1,262,173	2,700
Unearned revenue	-	-	-
Total current liabilities	<u>1,161,920</u>	<u>11,762,271</u>	<u>278,431</u>
Noncurrent liabilities			
Bonds payable	-	5,385,747	-
Compensated absences	560,693	1,171,750	58,450
Subscription payable	194,269	-	-
Total noncurrent liabilities	<u>754,962</u>	<u>6,557,497</u>	<u>58,450</u>
Total liabilities	<u>1,916,882</u>	<u>18,319,768</u>	<u>336,881</u>
Deferred inflows of resources			
Deferred revenue - leases	-	958,602	559,885
Total deferred inflows of resources	<u>-</u>	<u>958,602</u>	<u>559,885</u>
Total liabilities and deferred inflows of resources	<u>1,916,882</u>	<u>19,278,370</u>	<u>896,766</u>
Net investment in capital assets	2,909,567	366,898,204	12,768,716
Unrestricted	7,196,566	41,118,779	1,463,846
Total net position	<u>\$ 10,106,133</u>	<u>\$ 408,016,983</u>	<u>\$ 14,232,562</u>

Adjustment to reflect internal service fund activities related to enterprise funds net position

Total net position

The notes to the financial statements are an integral part of this statement.

<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
\$ 474,829	\$ -
45,000,170	30,564,744
9,740,294	-
1,582,196	-
327,927	212,077
124	1,259
580,144	-
2,216,769	293,272
33,066	281,929
<u>59,955,519</u>	<u>31,353,281</u>
17,659,510	16,256
128,037,701	2,638,698
531,935,997	-
43,820,707	55,725,562
368,400	101,527
<u>(327,330,138)</u>	<u>(36,399,829)</u>
<u>394,492,177</u>	<u>22,082,214</u>
<u>394,492,177</u>	<u>22,082,214</u>
<u>454,447,696</u>	<u>53,435,495</u>
11,365,184	166,419
4,809	4,312
349,910	35,137
62,201	18,741
137,314	31,530
18,331	1,600
1,264,873	-
-	17,266
<u>13,202,622</u>	<u>275,005</u>
5,385,747	-
1,790,893	166,270
194,269	41,950
<u>7,370,909</u>	<u>208,220</u>
<u>20,573,531</u>	<u>483,225</u>
<u>1,518,487</u>	<u>-</u>
<u>1,518,487</u>	<u>-</u>
<u>22,092,018</u>	<u>483,225</u>
382,576,487	21,913,870
49,779,191	31,038,400
432,355,678	\$ <u>52,952,270</u>
<u>12,434,110</u>	
<u>\$ 444,789,788</u>	

City of Fayetteville, Arkansas
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended December 31, 2024

	<u>Recycling and Trash Collection</u>	<u>Water and Sewer</u>	<u>Airport Fund Nonmajor Enterprise Fund</u>
Operating revenues:			
Solid waste fees	\$ 16,352,306	\$ -	\$ -
Water services	-	25,411,445	-
Sewer services	-	25,618,937	-
Airport services	-	-	3,712,418
Shop charges	-	-	-
Other	43,448	1,639,664	133,530
Total operating revenues	<u>16,395,754</u>	<u>52,670,046</u>	<u>3,845,948</u>
Operating expenses:			
Personnel services	5,455,983	8,369,817	801,488
Materials and supplies	1,138,805	2,630,933	2,464,200
Contract services and charges	9,334,106	35,878,053	554,007
Maintenance	197,610	715,057	95,639
Depreciation	772,848	13,530,951	1,418,714
Total operating expenses	<u>16,899,352</u>	<u>61,124,811</u>	<u>5,334,048</u>
Operating income (loss)	<u>(503,598)</u>	<u>(8,454,765)</u>	<u>(1,488,100)</u>
Nonoperating revenues (expenses):			
Grants	18,685	-	-
Taxes and franchise fees	454,374	-	108,909
Interest expense and fees	(22,602)	-	(932)
Interest income	203,992	1,097,282	47,873
Net increase (decrease) in fair value of investments	86,551	437,907	7,907
Other revenues (expenses)	46,930	458,583	-
Total nonoperating income	<u>787,930</u>	<u>1,993,772</u>	<u>163,757</u>
Income (loss) before contributions and transfers	284,332	(6,460,993)	(1,324,343)
Capital grants	-	1,349,109	993,026
Capital donations	-	7,249,961	-
Transfers in	-	8,054,000	-
Transfers out	(570,302)	(1,000,264)	-
Change in net position	(285,970)	9,191,813	(331,317)
Net position, beginning of year	<u>10,392,103</u>	<u>398,825,170</u>	<u>14,563,879</u>
Net position, end of year	<u>\$ 10,106,133</u>	<u>\$ 408,016,983</u>	<u>\$ 14,232,562</u>
Adjustment to reflect internal service fund activities related to enterprise funds			
Total change in net position			

The notes to the financial statements are an integral part of this statement.

<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
\$ 16,352,306	\$ -
25,411,445	-
25,618,937	-
3,712,418	-
-	12,239,478
<u>1,816,642</u>	<u>68,576</u>
<u>72,911,748</u>	<u>12,308,054</u>
14,627,288	1,645,499
6,233,938	3,197,633
45,766,166	1,572,282
1,008,306	60,336
<u>15,722,513</u>	<u>4,893,446</u>
<u>83,358,211</u>	<u>11,369,196</u>
<u>(10,446,463)</u>	<u>938,858</u>
18,685	-
563,283	-
(23,534)	(4,816)
1,349,147	820,837
532,365	341,519
<u>505,513</u>	<u>408,740</u>
<u>2,945,459</u>	<u>1,566,280</u>
(7,501,004)	2,505,138
2,342,135	-
7,249,961	-
8,054,000	3,434,442
<u>(1,570,566)</u>	<u>-</u>
8,574,526	5,939,580
	<u>47,012,690</u>
	<u>\$ 52,952,270</u>
<u>702,790</u>	
<u>\$ 9,277,316</u>	

City of Fayetteville, Arkansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Recycling and Trash Collection	Water and Sewer
Cash flows from operating activities:		
Cash received from customers	\$ 16,388,443	\$ 49,814,460
Cash received from internal customers	-	-
Cash paid to suppliers	(10,425,138)	(33,604,169)
Cash paid to employees	(5,366,622)	(8,280,781)
Net cash provided by (used for) operating activities	596,683	7,929,510
Cash flows from noncapital financing activities:		
Intergovernmental	18,685	-
Taxes/Franchise fees	454,374	-
Other revenues (expenses)	46,930	458,583
Transfers in	-	8,054,000
Transfers out	(570,302)	(1,000,264)
Net cash provided by (used for) noncapital financing activities	(50,313)	7,512,319
Cash flows from capital and related financing activities:		
Capital grants	-	-
Principal paid on bonds/interfund loans	(59,146)	-
Interest paid on bonds/interfund loans	(23,711)	-
Acquisition and construction of capital assets	(1,033,252)	(23,193,254)
Proceeds from sale of capital assets	-	5,385,747
Net cash provided by (used for) capital and related financing activities	(1,116,109)	(17,807,507)
Cash flows from investing activities:		
Proceeds (purchase) of investment securities	207,633	(3,092,676)
Interest and dividends on investments	277,561	1,439,401
Net cash provided by (used for) investing activities	485,194	(1,653,275)
Net decrease in cash	(84,545)	(4,018,953)
Cash, beginning of year	154,154	4,323,176
Cash, end of year	\$ 69,609	\$ 304,223
Reconciliation of operating income (loss) to cash flows from operating activities		
Operating income (loss)	\$ (503,598)	\$ (8,454,765)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	772,848	13,530,951
(Increase) decrease in customer accounts receivable	(62,560)	(1,594,284)
(Increase) decrease in lease receivable	-	(921,163)
(Increase) decrease in due from other funds	61,329	30,831
(Increase) decrease in due from other governments	(9,935)	-
(Increase) decrease in inventory	(9,735)	(274,925)
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable	210,619	5,850,855
Increase (decrease) in other accrued expenses	44,500	44,512
Increase (decrease) in due to other funds	3,854	(55,854)
Increase (decrease) in deferred inflows - leases	-	(453,496)
Increase (decrease) in compensated absences	89,361	89,035
Increase (decrease) in unearned revenue and deposits	-	137,813
Net cash provided by (used for) operating activities	\$ 596,683	\$ 7,929,510
Noncash investing, capital, and financing activities:		
Contributions of capital assets	\$ -	\$ 7,249,961
Accounts payable related to capital assets	11,768	6,207,335
Net increase in fair value of investments	86,551	437,907

The notes to the financial statements are an integral part of this statement.

Airport Fund Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Fund
\$ 3,232,079	\$ 69,434,982	\$ -
-	-	12,315,874
(3,291,462)	(47,320,769)	(5,062,943)
(809,964)	(14,457,367)	(1,609,732)
<u>(869,347)</u>	<u>7,656,846</u>	<u>5,643,199</u>
-	18,685	-
108,909	563,283	-
-	505,513	408,740
-	8,054,000	3,434,442
-	(1,570,566)	-
<u>108,909</u>	<u>7,570,915</u>	<u>3,843,182</u>
993,026	993,026	-
-	(59,146)	(17,394)
(932)	(24,643)	(6,051)
(188,003)	(24,414,509)	(7,332,838)
-	5,385,747	-
<u>804,091</u>	<u>(18,119,525)</u>	<u>(7,356,283)</u>
(139,291)	(3,024,334)	(3,210,308)
56,551	1,773,513	1,080,210
<u>(82,740)</u>	<u>(1,250,821)</u>	<u>(2,130,098)</u>
<u>(39,087)</u>	<u>(4,142,585)</u>	<u>-</u>
<u>140,084</u>	<u>4,617,414</u>	<u>-</u>
<u>\$ 100,997</u>	<u>\$ 474,829</u>	<u>\$ -</u>
\$ (1,488,100)	\$ (10,446,463)	\$ 938,858
1,418,714	15,722,513	4,893,446
25,357	(1,631,487)	-
(505,064)	(1,426,227)	-
-	92,160	6,218
74,649	64,714	-
25,987	(258,673)	(7,208)
2,719	2,719	(90,244)
(210,856)	5,850,618	(112,540)
21,335	110,347	12,239
(51,254)	(103,254)	1,600
(174,358)	(627,854)	-
(8,476)	169,920	35,767
-	137,813	(34,937)
<u>(869,347)</u>	<u>7,656,846</u>	<u>5,643,199</u>
\$ -	\$ 7,249,961	\$ -
54370	6,219,103	3,816
7,907	532,365	341,519

City of Fayetteville, Arkansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Pension Trust Funds	Private Purpose Trust Fund
Assets		
Cash	\$ 483,761	\$ 103,204
Investments, at fair value:		
Investment cash equivalents	616,322	-
Governmental securities	149,695	-
Corporate bonds	1,109,265	-
Corporate stock	4,287,772	-
Receivables:		
Accrued interest	16,538	-
Due from primary government	11,705	-
Due from other government	61,634	-
	6,736,692	103,204
Liabilities		
Unearned revenue	9,300	-
	9,300	-
Net Position		
Net position restricted for climate change	-	103,204
Net position restricted for pensions	6,727,392	-
	\$ 6,727,392	\$ 103,204
Total net position	\$ 6,727,392	\$ 103,204

The notes to the financial statements are an integral part of this statement.

City of Fayetteville, Arkansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Pension Trust Funds	Private Purpose Trust Fund
Additions		
Contributions:		
City contributions	\$ 126,748	\$ -
Property taxes contributed from police and fire pension revenue fund	959,183	-
State insurance taxes contributed from police and fire pension revenue fund	326,152	-
Total contributions	1,412,083	-
Investment earnings:		
Interest	152,009	1,794
Net decrease in fair value of investments	345,094	-
Gain on sale of investments	117,153	-
Investment fees	(29,342)	-
Other	13,263	-
Net investment earnings	598,177	1,794
Total additions	2,010,260	1,794
Deductions		
Contractual services	3,520	-
Benefit payments	1,394,006	-
Total deductions	1,397,526	-
Change in net position	612,734	1,794
Net position, beginning of year	6,114,658	101,410
Net position, end of year	\$ 6,727,392	\$ 103,204

The notes to the financial statements are an integral part of this statement.

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

1. Nature of Operations and Summary of Significant Accounting Policies

The City of Fayetteville, Arkansas (City) is a municipal corporation operating under the authority of Arkansas state statute. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the standard-setting body accepted in the United States for establishing governmental accounting and financial reporting principles. A description of the more significant accounting and financial reporting policies and practices of the City follows.

A. Reporting Entity

The City is a municipality governed by an elected mayor and an eight-member council. As required by accounting principles generally accepted in the United States (GAAP), these financial statements present the City (primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Those entities in which the nature and significance of their relationship with the City is such that exclusion from the City's financial reporting entity would render the City's financial statements incomplete or misleading are included as part of the City's reporting entity.

Those commissions and boards which have been included within the City's financial statements are as follows:

Discretely Presented Component Units

Advertising and Promotion Commission - The Commission is governed by seven members appointed by the City Council. Two City Council members serve on the Commission. The City levies and collects taxes to fund the Commission. The Commission's purpose is to promote and develop tourism for the City of Fayetteville.

The Commission is discretely presented as a separate column in the City's government-wide financial statements. Financial statements of the Advertising and Promotion Commission can be obtained from the administrative offices located at 21 South Block, Fayetteville, Arkansas 72701.

Fayetteville Public Library (Library) - The Mayor of the City appoints all five members of the Library's Board of Trustees, and the City controls a significant portion of the Library's budget. The Library serves the residents of Fayetteville and Washington County. Fayetteville Public Library Foundation (Foundation) provides fundraising for the Library and is governed by a board comprised of members appointed by the Board of Trustees of the Library. The Foundation is a special revenue fund of the Library.

The Library is discretely presented as a separate column in the City's government-wide financial statements. Financial statements of the Fayetteville Public Library can be obtained from the administrative offices located at 401 W. Mountain, Fayetteville, Arkansas 72701.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements. The statements have been segregated into two categories, governmental activities and business-type activities of the City. Governmental activities are generally supported through taxes and intergovernmental revenues. Business-type activities are financed in whole or part by user fees and charges to external parties. The primary government is reported separately from component units of the City. The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by revenues generated by the program. Direct expenses are those that can be clearly associated with a specific function. Program revenues include 1) charges to customers or applicants who use or directly benefit from goods,

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

services, or privileges provided by a given function or program and 2) grants and contributions for operational or capital requirements of a particular function or program. The effect of interfund activity has been eliminated from the government-wide statements. However, interfund services provided and used are not eliminated in the consolidation process. Taxes and other items not identifiable with a program are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements as the assets are not available to finance City operations. Major governmental funds and major enterprise funds are reported in separate columns in the fund financial statements. All other governmental and enterprise funds are aggregated and reported as nonmajor funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. The City considers sales and use taxes available if they are collected within thirty days after year-end. All other revenues including property taxes are considered available if they are collected within 60 days after year-end. Major revenue sources susceptible to accrual are sales taxes, property taxes, franchise fees, intergovernmental revenue, and interest earnings. Expenditures are recorded when a related fund liability is incurred with the exception of principal and interest on long-term debt, compensated absences and claims and judgments which are recorded when the payments are due.

The government reports the following major governmental funds:

General Fund - The General Fund is the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

Sales Tax Improvement Bond Fund - This debt service fund is used to account for the accumulation of resources for and the payment of principal and interest associated with the bond issues for wastewater improvements, streets, and trails.

Parks Development Fund - This special revenue fund is designated to be used for the acquisition and development of City parks. Revenue is received from a hotel/motel/restaurant tax.

Sales Tax Capital Improvement Fund - This capital project fund accounts for a portion of the City's sales and use tax to acquire, construct and equip capital additions and improvements in the City's five year capital plan. The City has designated this fund as major.

Sales Tax 2022 Construction Fund - This capital projects fund accounts for the bond proceeds from a bond issue for multiple City projects including streets, trails, fire, drainage, parks, and a cultural arts corridor.

The government reports the following major enterprise funds:

Recycling and Trash Collection Fund - This fund accounts for the operation of the City's recycling program and trash collection system.

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

Water and Sewer Fund - This fund accounts for the operation and maintenance of the City's water and sewer system.

Additionally, the City reports the following fund types:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. The Shop Fund is the only internal service fund of the City and is responsible for the management of the City's fleet.

Pension Trust Fund - Pension trust funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments. The City has one pension trust fund, the Policemen's Pension Relief Fund.

Private Purpose Trust Fund - The private purpose trust fund is used to account for the donations of funds to be used to address a long-term potential rise in migration and refugee resettlement services due to climate change and war.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally generated resources are reported as general revenues. All taxes are included in general revenues. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or delivering goods in connection with a fund's ongoing operations. The primary source of operating revenues to the City's major enterprise funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the costs of sales and services, administrative costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets and Liabilities

Investments - Certificates of deposit and money market investments that mature within one year of the date of acquisition are recorded at amortized cost, which approximates fair value. All other investments are recorded at fair value with the resulting gains and losses recognized in the current period. 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 are unobservable inputs.

Receivables - Customer Accounts - In the proprietary funds, an allowance has been made for doubtful accounts based on past experience in each fund. In the governmental funds, sales and use taxes that are not received within 30 days and other revenues not received within 60 days of year-end are considered deferred inflows of resources.

Receivables - Leases - The City's lease receivables are measured at the present value of the lease payments to be received during the term of the lease. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the lease receivable and is amortized on a straight-line basis over the term of the lease.

Due to/from Other Governments - Due from other governments consists primarily of November and December sales and use taxes, property taxes, state turnback, cost sharing, and grant reimbursement requests receivable at year-end. Due to other governments consists primarily of grant subrecipient expense reimbursements, cost sharing, and fourth-quarter parking revenue distributions.

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

Inventories - Inventories in the governmental and proprietary funds are stated at cost and consist primarily of waterline materials, fuel, and various vehicle parts. Inventory cost is determined by the first in/ first out method or average cost method. The cost is recorded as an expenditure/expense upon consumption. The Water and Sewer Fund inventory balance at year-end totaled \$2,063,043.

Prepays - Payments made to vendors for services that will benefit periods beyond December 31, 2024 are recorded as prepaid expenditures in governmental funds and prepaid expenses in proprietary funds using the consumption method.

Restricted Assets - Certain resources are classified as restricted on the statement of net position because their use is subject to external restrictions. The City's restricted assets totaled \$72,700,143 at December 31, 2024.

Capital Assets and Depreciation - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are assets which individually cost \$5,000 or more and have a useful life of more than one year. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend their lives are not capitalized.

Donated Capital Assets - Donated capital assets are recorded at acquisition value. The value of donated infrastructure in the governmental activities was \$5,394,362 in 2024. Donated Water and Sewer lines valued at \$5,118,888 were recorded in the business-type funds.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Machinery, equipment, and vehicles	3-10
Infrastructure	20-50

Property Taxes - The City levies property taxes applicable to the following year during the month of October. Property taxes assessed during the previous year are due and payable after March 1. Taxes are delinquent after October 15. Delinquent property taxes as of December 31, 2024 were not significant. The assessed value of taxable property upon which property taxes are levied is determined by the County Assessor. The Assessor estimates fair value of the property and applies a statutory rate of 20% to arrive at an assessed value. Washington County is the collecting agent for the levy and remits the collections to the City, net of a collection fee. Each unit of government receives its proportionate share of tax receipts from the County Assessor, based on its individual mill levy, in the month following the collection. The amount of property taxes the City may levy for general government operations is subject to a statutory limitation of 5 mills established by the State of Arkansas. This operating tax levy limitation may not be increased except by amendment to the State Constitution. In 2024, the City Council approved a levy of 2.3 mills for general government operations, which is an increase of 0.1 mill. In addition, the City has 0.4 mills each for the Policemen's and Firemen's Pension Funds and 3.7 mills for the Fayetteville Public Library. The mills for the Library and the Pension funds are apart from the statutory limitation of 5 mills for operations.

Bond Issuance Costs, Premiums and Discounts and Refunding Gains and Losses - The government-wide financial statements and proprietary funds report long-term debt and other long-term obligations as liabilities in the statement of net position. Bond premiums and discounts, as well as prepaid bond insurance costs, are amortized over the life of the related debt. Premiums and discounts are shown as a direct deduction or addition to the face amount of the debt. Other issuance costs are expensed in the period incurred. Gains and losses on debt refundings are classified as deferred inflows or

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

deferred outflows of resources and are amortized to interest expense over the shorter of the remaining life of the old debt or the life of the new debt.

In the governmental funds, bond premiums and discounts as well as bond issuance costs are recorded in the current period. The face amount of the debt issued is reported as other financing sources. Premiums and discounts on debt are reported as other financing sources and uses. Issuance costs are reported as expenditures of the current period.

Rebatable Arbitrage - Rebatable arbitrage is treated as an expense when due.

Compensated Absences - City employees earn sick and vacation leave benefits based on length of service time. Employees are compensated (historically from the fund which the employee is assigned) for unused sick and vacation time upon leaving the City's employment. Sick and vacation leave is accrued when earned in the proprietary fund and government-wide financial statements.

Unearned Revenue - In the governmental and proprietary funds, unearned revenue represents a liability for resources obtained prior to revenue recognition. The American Rescue Plan Act grant had \$1,771,534 of unearned revenues at year-end.

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 and deferred outflows of resources and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Lease Assets - Lease assets are initially recorded at the initial measurement of a lease liability, plus lease payments made at the commencement of the lease term, plus any direct costs to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the lease. The City's lease policy has a \$5,000 threshold to record a lease asset.

Subscription Assets - Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement date of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset. The City's subscription policy has a \$5,000 threshold to record a subscription asset.

Deferred Outflows/Inflows of Resources – The Statement of Net Position and Balance Sheet will include a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until that time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as revenue until that time. Lease-related deferred inflows represent the initial value of the lease receivable systematically reduced and recognized as lease revenue over the term of the lease.

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

E. Fund Balance – Governmental Funds

The fund balances for the City's governmental funds are displayed in five 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 may be used only for the specific purposes determined by resolution of the City Council. Commitments may be changed or lifted only by issuance of a resolution by the City Council.

Assigned – Assigned fund balances are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the General Fund, assigned fund balances represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. The assigned fund balances are reflections of City Council decisions based on the passage of an ordinance or resolution or for purchase orders issued but not executed.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in other classifications. The General Fund is the only fund that can report a positive unassigned fund balance. However, in other governmental funds, if the amounts spent is more than the resources available for a specific purpose, then it may need to report a negative amount in unassigned fund balance.

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 committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

F. Disaster Recovery and Minimum Fund Balance Policy

In 2002, the City Council committed by ordinance, \$3,000,000 in disaster recovery funds. The funds are not to be dispersed until and unless the City Council determines by Resolution that a disaster requiring use of these funds has occurred. The funds are required to be restored to \$3,000,000 as soon as feasible after any disbursements of funds. These funds are shown as committed in the General Fund.

The City Council has also established a minimum reserve of 60 days of annual regular operating expenditures for the General Fund. The minimum reserves cannot be reduced without specific City Council Resolution. These funds are shown as unassigned in the General Fund. Additionally, the Council has required a minimum reserve of at least 10% of current year operating expenditures in the Street Fund. The City will use funds in the reserve only in times of emergency or fiscal and economic hardship. These funds are shown as restricted in the Street Fund.

G. Adoption of GASB Statements

GASB Statement No. 100, Accounting Changes and Error Corrections, is effective for the city in fiscal year 2024. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

GASB Statement No. 101, Compensated Absences, is effective for the City in the fiscal year 2024. The objective of this statement is to better meet the financial statements needs of users by updating the recognition and measurement guidance for compensated absences. Implementation of GASB 101 did not have a material impact on the City.

2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance in total governmental funds and net position in governmental activities as reported in the government-wide statement of net position. A major element of the reconciliation combines the assets and liabilities from the internal service fund with the other governmental funds. The total adjustment of \$40,518,160 is detailed as follows:

Investments	\$ 30,564,744
Accrued interest	212,077
Due from other funds	1,259
Inventories	293,272
Prepaid expenses and other assets	281,929
Capital assets, less depreciation	22,082,214
Accounts payable	(166,419)
Accrued Interest	(4,312)
Accrued expenditures	(35,137)
Subscription liabilities	(60,691)
Due to other funds	(1,600)
Compensated absences	(197,800)
Gain due to business-like funds	(12,434,110)
Unearned revenue	<u>(17,266)</u>
Net adjustment to fund balance in governmental fund statement to statement of net position governmental activities	<u>\$ 40,518,160</u>

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances in total governmental funds and changes in net position of governmental activities as shown in the government-wide statement of activities. A major element of the reconciliation explains that governmental funds report capital outlays as expenditures. In the statement of activities, the costs of capital and right-to-use assets are allocated over the estimated useful life and reported as depreciation and amortization expense. The difference of \$32,617,189 is shown as follows:

Capital outlays	\$ 53,011,207
Capital donations	5,394,362
Depreciation expense	<u>(25,788,380)</u>
Net adjustment to increase net changes of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 32,617,189</u>

City of Fayetteville, Arkansas
Notes to the Financial Statements
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Another element of that reconciliation states that the issuance of long-term debt such as bonds and capital leases provide current financial resources to governmental funds, while the repayment consumes current financial resources. Neither transaction has any effect on net position. Governmental funds report the effect of prepaid bond insurance, premiums, discounts, and similar items when debt is issued; however, these amounts are amortized in the statement of activities. The details of this \$(17,910,849) difference are as follows.

Amortization of premiums and discounts, loss on refunding and interest expense	\$ (143,911)
Payment of debt principal	(33,065,601)
Issuance of debt	<u>15,298,663</u>
Net adjustments of net changes of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (17,910,849)</u>

3. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The City is required by State statute to prepare and submit an annual budget to the City Council on or before December 1 of each year for the period January 1 to December 31 of the forthcoming year. Prior to February 1 of each year, the budget must be legally adopted through passage of a City resolution by the City Council.

Budgets are prepared for the General fund, special revenue funds, debt service funds, and capital project funds. These budgets are prepared on the modified accrual basis for revenues and expenditures. Budgets are also prepared for enterprise funds based on an accrual basis of accounting, with the exception of depreciation.

Appropriation for budgeted funds cannot exceed the estimated revenues and existing fund balances and it is unlawful for the City to create or authorize creation of a deficit fund balance or net position in any fund. Budgetary control is maintained at the program (operating unit within a division, e.g., administration, maintenance, construction, etc., within the Street Division) level. The Finance Director is authorized to make budget adjustments within a division of a fund, between departments for personnel services within a fund, and adjustments within categories within an approved project in a fund. However, budget amendments (which increase the budget total of a given fund) must be approved by the City Council, with the exception of powers specifically delegated to a Bond Trustee in a Bond Trust agreement for administration of a bond issue.

For control purposes, an encumbrance accounting system is employed. Under this system, purchase orders, contracts, and other commitments for expenditures of funds are recorded as encumbrances in order to reserve a portion of the applicable appropriation. At the end of the year, encumbrances for which goods and/or services have not been received are reviewed and rebudgeted or canceled. Encumbrances in major funds which lapsed at December 31, 2024 and were reinstated as of January 1, 2025 totaled \$467,163 for the General Fund, \$2,403,452 for Sales Tax Capital Improvement Fund, \$802,076 for the Parks Development Fund, and \$14,588,252 for the Sales Tax 2022 Construction Fund. Encumbrances which lapsed and were reinstated for nonmajor funds totaled \$4,669,146.

Since all unexpended appropriations lapse at the end of the fiscal year, it is the City's policy to rebudget purchase commitments, uncommitted projects, and unspent capital project budget amounts rather than include them in the original budget. Therefore, amended budgets are traditionally large in comparison to the original budget for the capital projects funds.

City of Fayetteville, Arkansas
Notes to the Financial Statements
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4. Detailed Notes on All Funds

A. Deposits, Investments, and Investment Income

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 collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities or the State of Arkansas. Collateral for deposits is held by an agent in the City's name. At December 31, 2024, none of the City's bank balances were exposed to custodial credit risk.

The Advertising and Promotion Commission and the Fayetteville Public Library are component units of the City. At December 31, 2024, none of the component units' bank balances were exposed to custodial credit risk.

Investments

The City's investment policies are to comply with the provisions of State statutes. Permissible investments include direct obligations of the U.S. Government, obligations of agencies of the U.S. Government, collateralized certificates of deposit, obligations issued by the Arkansas State Board of Education, prerefunded municipal bonds, certificates of deposits with banks authorized by State law to receive deposits of public funds, repurchase agreements, money market funds, and corporate debt obligations. The Policemen's Pension and Relief Fund assets held in trust may also invest in corporate equity securities.

At December 31, 2024, the City, including its fiduciary funds, had the following investments and maturities:

<u>Type</u>	<u>Fair Value/Net Asset Value</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
U.S. Treasury obligations	\$ 864,063	\$ 714,368	\$ 149,695	\$ -	\$ -
U.S. Agencies obligations	136,249,461	30,406,640	105,842,821	-	-
Corporate bonds	1,109,265	-	970,663	138,602	-
Certificates of deposit	101,852	53,012	48,840		
Cash equivalents (money market)	93,140,800	93,140,800	-	-	-
		<u>\$ 124,314,820</u>	<u>\$ 107,012,019</u>	<u>\$ 138,602</u>	<u>\$ -</u>
Corporate stocks	<u>4,287,772</u>				
	<u>\$ 235,753,213</u>				

City of Fayetteville, Arkansas
Notes to the Financial Statements
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The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the inputs used to measure the fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are derived from or corroborated by observable market data for the asset or liability. The City's Level 2 investments are valued using a matrix pricing technique, which values the securities based on the securities' relationship to benchmark quoted prices. The City uses ICE data services for asset pricing of level 2 inputs. Level 3 inputs are unobservable. The City's investments are categorized below.

City Investments	12/31/2024	Quoted prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U.S. Agencies	\$ 136,249,461	\$ -	\$ 136,249,461	\$ -
Investments Measured at Amortized Cost	92,626,330			
Pension Investments	12/31/2024	Quoted prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U.S. Treasury	\$ 864,063	\$ 864,063	\$ -	\$ -
Corporate bonds	1,109,265	-	1,109,265	-
Corporate Stock	4,287,772	4,287,772	-	-
Investments Measured at Amortized Cost	514,470			

Interest Rate Risk – As a means of limiting its exposure to fair value losses from rising interest rates, the City's investment policy is to attempt to match investment maturities with cash flow requirements. Money market mutual funds are used to meet the short-term cash flow needs of the City. Other investments are allowed within a range of maturities of 90 days to five years.

The pension trust investment policies address interest rate risk by managing asset allocation. The Policemen's Pension and Relief Fund allows for 0% to 25% in cash and cash equivalents, 25% to 65% maximum in fixed income, 35% to 50% maximum in equities, and 0% to 10% in other investments.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the City's policy to invest no more than 20% in corporate debt and securities of a management type investment company or investment trust. The corporate bonds must be rated as Single A minus or better by both Moody's Investor Service and Standard and Poor's at the time of purchase. Investment in commercial paper will be rated A-1/P-1. Investment in management type investment companies or investment trusts is limited to companies with portfolios who are limited to U.S. Government obligations and repurchase agreements with approved collateralization.

The pension trust corporate bonds at year-end had an S & P ranking between AA and BBB-. The pension funds held \$1,109,265 in bonds at year-end, with \$82,517 rated AA, \$186,931 rated A+, \$104,276 rated A, \$108,907 rated BBB+, \$488,032 rated BBB and \$138,602 rated BBB-.

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 doesn't 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 Money Market Funds. The majority of the City's funds are invested by an asset manager and are held by Northern Trust in the City's name. All funds held by Northern Trust are insured. In addition, the City's investment policy requires that security broker/dealers will meet or exceed the capital adequacy standards set by the Federal Reserve Bank of New York.

City of Fayetteville, Arkansas
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Concentration of Credit Risk – The City’s investment policy limits investment in any one issuer to 5% of the cost basis of the City’s portfolio and limits concentration in any one business sector to 15% of the cost basis of the City’s portfolio excluding U.S. Government obligations and collateralized certificates of deposit. The City had no concentration of credit risk as of December 31, 2024.

Foreign Currency Risk – This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. The City’s investment policy doesn’t directly address foreign currency risk. The City’s investment manager only buys U.S. dollar pay securities. The City had no investments that were denominated in foreign currency at December 31, 2024.

B. Capital Assets

Primary Government

Capital asset activity in the governmental activities for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases and Reclass</u>	<u>Decreases and Reclass</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not depreciated:					
Land	\$ 74,137,835	\$ 3,850,884	\$ (2,035)	\$ -	\$ 77,986,684
Construction in progress	5,856,933	15,367,166	-	(10,620,723)	10,603,376
Total	<u>79,994,768</u>	<u>19,218,050</u>	<u>(2,035)</u>	<u>(10,620,723)</u>	<u>88,590,060</u>
Capital assets, being depreciated/ amortized:					
Buildings	148,953,374	3,943,661	-	8,291,693	161,188,728
Improvements other than buildings	58,804,611	4,259,790	-	2,329,030	65,393,431
Machinery, equipment, and vehicles	86,780,257	7,623,368	(822,520)	-	93,581,105
Infrastructure	434,893,253	30,346,662	-	-	465,239,915
Leases	476,492	357,164	(476,729)	-	356,927
Subscriptions	413,210	-	-	-	413,210
Total	<u>730,321,197</u>	<u>46,530,645</u>	<u>(1,299,249)</u>	<u>10,620,723</u>	<u>786,173,316</u>
Less accumulated depreciation/ amortization for:					
Buildings	(46,955,809)	(6,022,126)	-	-	(52,977,935)
Improvements other than buildings	(28,021,271)	(2,810,107)	-	-	(30,831,378)
Machinery, equipment, and vehicles	(59,692,053)	(6,668,559)	808,190	-	(65,552,422)
Infrastructure	(215,553,016)	(14,637,326)	-	-	(230,190,342)
Leases	(42,163)	(457,472)	482,806	-	(16,829)
Subscriptions	(84,544)	(86,236)	-	-	(170,780)
Total	<u>(350,348,856)</u>	<u>(30,681,826)</u>	<u>1,290,996</u>	<u>-</u>	<u>(379,739,686)</u>
Total depreciable/amortizable assets, net	<u>379,972,341</u>	<u>15,848,819</u>	<u>(8,253)</u>	<u>-</u>	<u>406,433,630</u>
Governmental capital assets, net	<u>\$ 459,967,109</u>	<u>\$ 35,066,869</u>	<u>\$ (10,288)</u>	<u>\$ -</u>	<u>\$ 495,023,690</u>

City of Fayetteville, Arkansas
Notes to the Financial Statements
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Depreciation and amortization expense was charged to programs of the governmental activities as follows:

Governmental Activities

General Government	\$ 5,840,514
Finance and Internal Services	546,142
Public Safety	1,564,294
Community Planning and Engineering	139
Transportation and Parking	14,237,582
Parks and Recreation	3,599,709
Capital assets held by the governments internal service fund charged to various functions	<u>4,893,446</u>
Total Depreciation & Amortization expense – governmental activities	<u><u>\$ 30,681,826</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases and Transfers</u>	<u>Decrease and Transfers</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not depreciated:				
Land	\$ 16,781,535	\$ 1,149,885	\$ (271,910)	\$ 17,659,510
Total	<u>16,781,535</u>	<u>1,149,885</u>	<u>(271,910)</u>	<u>17,659,510</u>
Capital assets, being depreciated/amortized:				
Buildings	127,834,148	231,553	(28,000)	128,037,701
Improvements other than buildings	500,057,976	31,850,021	28,000	531,935,997
Machinery, equipment, and vehicles	41,666,815	2,153,892	-	43,820,707
Subscriptions	368,400	-	-	368,400
Total	<u>669,927,339</u>	<u>34,235,466</u>	<u>-</u>	<u>704,162,805</u>
Less accumulated depreciation/amortization for:				
Buildings	(81,918,549)	(4,010,940)	-	(85,929,489)
Improvements other than buildings	(182,643,189)	(9,746,965)	-	(192,390,154)
Machinery, equipment, and vehicles	(46,984,487)	(1,899,641)	-	(48,884,128)
Subscriptions	(61,400)	(64,967)	-	(126,367)
Total	<u>(311,607,625)</u>	<u>(15,722,513)</u>	<u>-</u>	<u>(327,330,138)</u>
Total depreciable/amortizable capital assets	<u>358,319,714</u>	<u>18,512,953</u>	<u>-</u>	<u>376,832,667</u>
Business-type capital assets, net	<u><u>\$ 375,101,249</u></u>	<u><u>\$ 19,662,838</u></u>	<u><u>\$ (271,910)</u></u>	<u><u>\$ 394,492,177</u></u>

Depreciation expense was charged to programs of the business-type activities as follows:

Business-type activities

Airport	\$ 1,418,714
Recycling and Trash Collection	772,848
Water and Sewer	<u>13,530,951</u>
Total depreciation and amortization expense - business-type activities	<u><u>\$ 15,722,513</u></u>

City of Fayetteville, Arkansas
Notes to the Financial Statements
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Activity for the component units for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases/Reclass</u>	<u>Decreases/Reclass</u>	<u>Ending Balance</u>
Library and Advertising and Promotion				
Capital assets not depreciated:				
Land	\$ 2,228,376	\$ -	\$ -	\$ 2,228,376
Artwork	1,008,291	-	-	1,008,291
Construction in progress	201,906	437,251	(182,701)	456,456
Total	<u>3,438,573</u>	<u>437,251</u>	<u>(182,701)</u>	<u>3,693,123</u>
Capital assets, being depreciated:				
Buildings and improvements	36,604,895	426,763	(76,164)	36,955,494
Machinery, equipment, and vehicles	18,879,603	2,612,569	(6,514,011)	14,978,161
Total	<u>55,484,498</u>	<u>3,039,332</u>	<u>(6,590,175)</u>	<u>51,933,655</u>
Less accumulated depreciation	<u>(22,566,533)</u>	<u>(2,464,408)</u>	<u>6,612,926</u>	<u>(18,418,015)</u>
Total depreciable capital assets, net	<u>32,917,965</u>	<u>574,924</u>	<u>22,751</u>	<u>33,515,640</u>
Component unit capital assets, net	<u>\$ 36,356,538</u>	<u>\$ 1,012,175</u>	<u>\$ (159,950)</u>	<u>\$ 37,208,763</u>

C. Construction Commitments

Outstanding commitments at December 31, 2024 under authorized contracts for capital projects of governmental and proprietary funds are presented in the following table:

	<u>Expenditures Incurred As of 12/31/2024</u>	<u>Remaining Commitments at 12/31/2024</u>
Primary Government		
Governmental activities		
Parks Development		
Park improvements	\$ 2,627,653	\$ 1,468,502
Capital Projects		
Streets	10,269,463	6,403,577
Trails	1,563,223	72,160
Drainage	406,634	6,408,311
Stream restoration	173,313	499,350
Cultural Arts Corridor	10,946,985	1,015,110
Police Station	724,158	-
Fire Stations	6,389,965	50,074
Economic development	238,427	1,710,609
Other capital construction	1,891,143	2,435,297
Total commitments for governmental activities	<u>\$ 35,230,964</u>	<u>\$ 20,062,990</u>
Business-Type Activities		
Water and sewer line repair/replacement	\$ 23,730,875	\$ 82,397,645
Recycling and Trash facility improvements	59,349	94,599
Airport Construction	643,605	342,536
Total commitments for business-type activities	<u>\$ 24,433,829</u>	<u>\$ 82,834,780</u>

City of Fayetteville, Arkansas
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Parks development projects are funded with City's hotel, motel, and restaurant taxes and federal and state grants. The Sales and Use Tax Capital Improvement Bonds, 2019, 2022, and 2024, supported by a dedicated 1% sales and use tax, are funding the capital projects for streets, trails, drainage, parks, the Cultural Arts Corridor, and police and fire stations. Water and sewer line repairs and replacements are being funded with revenues from the Water and Sewer Fund and federal and state grants. The Airport projects are funded primarily with state and federal grants. Other capital projects are funded with the City's 1% sales and use tax. In management's opinion, the funding sources identified above are adequate to meet all estimated future commitments.

D. Interfund Receivables, Payables, Transfers

Transfers are used to move revenues from the fund with collection authorization to debt service, pension funds and to other funds to finance various programs that the government must account for in other funds. Transfers recorded in the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ (5,674,434)
Sales Tax Improvement Bonds	12,985	-
Parks Development	1,000,000	(154,486)
Sales Tax Capital Improvement	-	(1,172,288)
Nonmajor Governmental Funds	620,633	(4,550,286)
Total	<u>\$ 1,633,618</u>	<u>\$ (11,551,494)</u>

Transfers recorded in the Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Water and Sewer	\$ 8,054,000	\$ (1,000,264)
Recycling and Trash Collection	-	(570,302)
Internal Service	3,434,442	-
	<u>\$ 11,488,442</u>	<u>\$ (1,570,566)</u>

A reconciliation of transfers of Governmental Funds and Proprietary Funds follows:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Transfers in	\$ 1,633,618	\$ 11,488,442	\$ 13,122,060
Transfers out	(11,551,494)	(1,570,566)	(13,122,060)

Transfers between funds totaled \$13,122,060. The General Fund transferred \$230,040 to the Drug Enforcement Grant for the City's cost share for the program, \$422,476 to the Internal Service Fund for fleet expansion, \$4,000,000 to the Water & Sewer Fund for the waterline replacement project, \$1,000,000 to the Park Development Fund for park design services & construction documents, and \$21,918 to the Special Grants Fund for operating support. The Parks Development Fund and Sales Tax Capital Improvement both transferred \$154,486 and \$1,172,288, respectively, to the Internal Service Fund for fleet expansion. Nonmajor governmental funds transferred \$4,054,000 to the Water & Sewer Fund for impact fees and \$114,626 to the Internal Service Fund for fleet expansion. The Nonmajor Governmental Funds also transferred \$381,660 to various governmental funds for operating support. Recycling and Trash Collection and Water & Sewer both transferred \$570,302 and \$1,000,264 to the Internal Service Fund for fleet expansion.

City of Fayetteville, Arkansas
Notes to the Financial Statements
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Interfund receivables and payables result from transactions between various funds within the City. Outstanding balances are mainly a result of clearing of liabilities from pooled investments, time lag between the dates interfund goods and services are provided and reimbursed, and when transactions are recorded in the accounting system.

The interfund balances by fund at December 31, 2024 are shown below.

<u>Due to/from other funds:</u>	<u>Receivables</u>	<u>Payables</u>
Major governmental funds:		
General Fund	\$ 113,086	\$ 22,416
Parks Development	-	3,236
Sales Tax 2022 Construction	1,281	44,405
Nonmajor governmental funds	22,417	48,179
Major enterprise funds:		
Water and Sewer	124	13,498
Recycling and Trash Collection	-	3,854
Nonmajor Enterprise	-	979
Internal service fund:		
Shop	1,259	1,600
Total	<u>\$ 138,167</u>	<u>\$ 138,167</u>

E. Leasing Activities

Leases Receivable

The City of Fayetteville leases certain property to various third parties who use it to conduct their business operations. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term. Short-term leases are recognized as inflows of resources based on the payment of the lease contract and are therefore not included in the lease receivable balances.

Revenue recognized for lease contracts during the year ended 2024 was \$109,404 in the governmental and \$176,238 in the proprietary funds, which includes both lease revenue and interest.

City of Fayetteville, Arkansas
Notes to the Financial Statements
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The following is a schedule by year of minimum payments to be received under the City's leases that are included in the lease receivable as of December 31, 2024.

<u>Fiscal Years</u>	<u>Governmental Fund Leases</u>		<u>Proprietary Fund Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 111,601	\$ 33,223	\$ 240,122	\$ 54,962
2026	114,258	29,566	89,513	48,006
2027	118,027	25,797	74,964	45,314
2028	121,921	21,903	77,515	42,756
2029	125,943	17,881	82,822	40,076
2030-2034	481,634	30,236	453,258	155,743
2035-2039	-	-	219,444	94,290
2040-2044	-	-	69,608	68,886
2045-2049	-	-	88,575	49,583
2050-2054	-	-	85,569	25,910
2055-2059	-	-	69,529	11,037
2060-2064	-	-	31,277	866
Total	<u>\$ 1,073,384</u>	<u>\$ 158,606</u>	<u>\$ 1,582,196</u>	<u>\$ 637,429</u>

Lease and Subscription Liabilities

The City of Fayetteville has a land lease with the term of 2024 through 2038. The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term.

The City uses the Prime Loan Rate plus 1% or 2% at the inception of the lease to measure the lease payable. The rate used for the lease payable in 2024 was 3.25%.

The City of Fayetteville has four subscription arrangements that meet the requirements of GASB 96 - *Subscription-Based Information Technology Arrangements*. Two of the agreements are recorded within the General Fund. One is the software that Recycling and Trash utilizes for the trucks. The fourth subscription is a Fleet Division program for maintaining city vehicles.

The following is the future principal and interest payment for the lease and subscription liabilities at December 31, 2024.

<u>Fiscal Years</u>	<u>Governmental Fund Leases</u>		<u>Business-Type Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 105,065	\$ 34,711	\$ 62,201	\$ 18,433
2026	113,884	26,860	66,999	13,575
2027	102,091	19,798	72,167	8,342
2028	31,328	17,737	55,103	2,706
2029	13,412	16,450	-	-
2030-2034	94,948	63,561	-	-
2035-2039	116,975	18,643	-	-
	<u>\$ 577,703</u>	<u>\$ 197,760</u>	<u>\$ 256,470</u>	<u>\$ 43,056</u>

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

The following is a summary of lease and subscription liabilities for the City for 2024.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Fund				
Long-term lease liability	\$ 440,752	\$ 357,163	\$ 461,130	\$ 336,785
Subscription	315,225	-	74,307	240,918
Total	<u>\$ 755,977</u>	<u>\$ 357,163</u>	<u>\$ 535,437</u>	<u>\$ 577,703</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type				
Subscription	\$ 315,616	\$ -	\$ 59,146	\$ 256,470

F. Long-Term Debt

AMENDMENT 78 BONDS AND NOTES PAYABLE – In 2001, the State of Arkansas passed Amendment No. 78 allowing cities to obtain short-term financing agreements for the purpose of acquiring, constructing, installing, or renting real property or tangible personal property having an expected useful life of more than one year. The agreements are not to exceed five years. The City is limited in the amount of short-term financing available in any given year to 5% of the assessed valuation of property within the City. The City’s general obligation total debt limit for 2024 was \$681,394,593, with \$136,278,919 in short-term debt limit. The City had \$577,703 in short-term debt outstanding at December 31, 2024.

GENERAL OBLIGATION BONDS - Issuance of long-term general obligation bonds by the City is governed by Arkansas statutes. The statutes require voter approval for issuance of general obligation bonds. General obligation bonds pledge the full faith and credit of the government. The City currently has no authorized but unissued general obligation bonds.

SALES AND USE TAX CAPITAL IMPROVEMENT BONDS – Issuance of sales and use tax capital improvement bonds is governed by Arkansas statutes. The statutes require voter approval for the issuance of the bonds. The bonds are special obligations of the City secured by and payable solely from receipts of the sales and use tax. The City currently has no authorized but unissued sales and use tax capital improvement bonds.

REVENUE BONDS – Issuance of revenue bonds is governed by Arkansas Statutes. Revenue bonds are not general obligations but are special obligations of the City secured solely and payable from net revenues from a specified revenue source.

Below is a brief description of the outstanding long-term debt.

City of Fayetteville Tax Increment Interest Accretion Bonds (Highway 71 East Square Redevelopment District No. 1 Project), Series 2005 for \$3,725,000 were issued in April, 2005. The bonds are special obligations of the City secured by and payable solely by a pledge of the incremental ad valorem tax receipts derived with respect to the real property within the City’s Highway 71 East Square Redevelopment District No. 1. The bond proceeds were used for the acquisition of real property located within the district, the demolition of the majority of existing structures thereon and for site improvements for subsequent development. The land was subsequently sold to private developers for construction of a hotel, condominium, and parking facility on the site. The economic downturn impacted the development of the \$25,000,000 project and currently there is no planned project for the property. The original 2005 millage dedicated to the TIF District was 3.16 mills, but that amount has gradually increased to 7.6 mills.

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The City received \$627,109 in property taxes in 2024 and \$175,000 of bonds were redeemed. The real property value of the District was \$99,152,030 in 2024. The total principal amount of outstanding bonds is due August 2029 unless redeemed earlier. The current balance of outstanding bonds is \$2,121,160 with an accreted value of \$6,543,838.

In December 2012, the City issued Parking Revenue Improvement Bonds, Series 2012 in the amount of \$6,220,000. The bonds are special obligations of the City and are secured by net parking revenues. The proceeds from the bond issue were used for the acquisition, construction, and equipping of a multi-level parking deck and related roadway and other improvements.

In November 2014, the City issued \$10,980,000 Hotel, Motel and Restaurant Gross Receipts Tax and Tourism Revenue Capital Improvement and Refunding Bonds, Series 2014. The bonds were approved by the voters in 2013 for the purpose of (1) paying the costs of redeeming the outstanding Hotel, Motel and Restaurant Bonds, Series 2003, in the amount of \$650,000 (2) paying for a portion of the expansion and renovation of the Walton Arts Center, and (3) paying a portion of acquiring, constructing, and equipping a regional park within the City. The bonds are secured by the revenues derived from a 1% tax levied upon the gross receipts derived from renting, leasing, or otherwise furnishing hotel or motel accommodations for profit within the City and the portion of gross receipts received by restaurants, cafes, cafeterias, delis, drive-in restaurants, carry-out restaurants, concession stands, convenience stores, grocery store restaurants, and similar businesses from the sale of prepared food and beverages.

The City issued \$26,500,000 Library Improvement Bonds, Series 2017 in July 2017. The Series 2017 are special limited tax obligations of the City secured by and payable solely from receipts from a 1.2 mill city ad valorem tax levied on real and personal property within the City and the City's allocable portion to the library of the 0.5% statewide sales and use tax.

The bond proceeds are to be used for expansion of Fayetteville Public Library. The expansion is expected to include an expansion to the youth services department, a multi-purpose auditorium, a new teen space, digital and robotics maker space, a new genealogy area, and a small business center. All assets constructed or purchased with the bond proceeds will be transferred to the Library after the construction is complete.

The City issued \$124,425,000 Sales and Use Tax Capital Improvement and Refunding Bonds, Series 2019A and \$3,170,000 Sales and Use Tax Capital Improvement Bonds Taxable Series 2019B in August 2019. The proceeds from the bonds are to be used for multiple projects and for refunding of existing sales and use tax bonds. The Sales and Use Tax Bonds Series 2007 and Series 2009 were retired from available funds at the time of issuance of the 2019 bonds. The Taxable Series 2019B matured in 2020. The Sales and Use Tax Bonds Series 2013 and 2015 were paid with available funds and refunding funds held in escrow until November 2019. The difference in debt service of the refunded bonds of \$13,133,408 and the refunding bonds of \$12,399,795 was \$733,613. The economic loss on the refunding was \$33,702.

The Series 2019 Bonds are special obligations of the City secured by and payable from a special City-wide sales and use tax. The 1% tax was approved by qualified voters of the City in a special election in April of 2019. Total amount of bonds authorized by the election is not to exceed \$226,065,000. The 2019 Bonds are the first issue, with two more issues anticipated.

The 2019 bond proceeds are to be used for projects for streets, trails, drainage, parks, City facilities, an arts corridor, and police and fire facilities. The 2019B bond proceeds were used for economic development.

The City issued \$74,340,000 Sales and Use Tax Capital Improvement Bonds, Series 2022 in 2022. The Series 2022 Bonds are special obligations of the City secured by and payable from a special City-wide sales and use tax. The 1% tax was approved by qualified voters of the City in a special election

City of Fayetteville, Arkansas
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in April 2019. The 2022 Bonds are the second issue, with one more issue anticipated. The bonds are to be used for street, trails, drainage, parks, City facilities, the Arts Corridor, and fire projects.

The City issued \$15,000,000 Sales and Use Tax Capital Improvement Bonds, Series 2024 in 2024. The Series 2024 Bonds are special obligations of the City secured by and payable from a special City-wide sales and use tax. The 1% tax was approved by qualified voters of the City in a special election in April 2019. The 2024 Bonds are the third and final issue from the April 2019 approval. The bonds are to be used for street and park facilities and improvements.

The City of Fayetteville applied for and has been awarded a Drinking Water State Revolving Loan from the Arkansas Natural Resources Division to implement the West Transmission Waterline project. This \$85,000,000 loan is to fund a new 48-inch transmission water line to keep up with continued growth and water demands in Fayetteville. The City's existing transmission mains are reaching capacity and will be unable to meet Fayetteville's increasing water demands in the near future. This new waterline will secure access to safe drinking water and meet the City's projected maximum demands. This connection will also help optimize water flow through the distribution system to Fayetteville customers, thereby reducing water age and improving water quality.

Annual debt service requirements to maturity for bonds and notes payable of governmental activities are as follows:

<u>Fiscal Years</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 13,590,000	\$ 4,483,199
2026	8,260,000	3,841,074
2027	6,960,000	2,977,028
2028	7,140,000	2,802,223
2029	9,141,160	9,302,844
2030-2034	58,880,000	8,069,109
2035-2039	9,220,000	2,058,863
2040-2044	11,907,293	704,056
Total	<u>\$ 125,098,453</u>	<u>\$ 34,238,396</u>

Annual debt service requirement to maturity for bonds and notes payable of business type activities are as follows:

<u>Fiscal Years</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ -	\$ -
2026	-	-
2027	166,818	26,564
2028	251,795	38,278
2029	253,690	36,383
2030-2034	1,297,378	152,986
2035-2039	1,346,937	103,426
2040-2044	1,398,390	51,973
2045-2047	670,739	6,096
Total	<u>\$ 5,385,747</u>	<u>\$ 415,706</u>

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A summary of bonds and notes outstanding for governmental activities as of December 31, 2024 is as follows:

	Outstanding			Principal Amount
	Issue Year	Due Dates	Interest Rates	
Tax Increment Interest Accretion Bonds	2005	2029	6.0%	\$ 1,796,160
Parking Revenue Improvement	2012	2022-2037	2.0%-3.63%	3,950,000
Hotel, Motel and Restaurant	2014	2022-2039	2.0%-5.0%	7,705,000
Library Improvement	2017	2022-2047	0.9%-3.46%	17,505,000
Sales and Use Tax Capital Imp and Refunding Bonds, Series 2019	2019	2022-2035	0.9%-3.46%	9,080,000
Sales and Use Tax Capital Imp, Series 2022	2022	2022-2032	2.88%-4.00%	63,505,000
Sales and Use Tax Capital Imp, Series 2024	2024	2025-2033	3.25%	15,000,000

A summary of bonds and notes outstanding for business type activities as of December 31, [2024](#) is as follows:

	Outstanding			Principal Amount
	Issue Year	Due Dates	Servicing Fee	
Water and Sewer System Revenue Bond Series 2024	2024	2047	0.75%	\$ 5,385,747

Pledged Revenues

A 1% Sales and Use Tax is 100% dedicated to the payment of the Sales and Use Tax Capital Improvement Bonds debt service. The sales and use tax will expire once the bonds mature in 2035. During 2024, \$32,365,993 was recognized in sales tax revenue and \$32,994,580 in principal and interest was paid on the bonds.

Below is a schedule of revenue bonds supported by pledged revenues as of December 31, 2024.

		Net Revenue Available for Debt Service	Debt Portion of Pledged Revenues	Debt Percentage of Pledged Revenues	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
Parking Revenue Improvement Bonds	Parking Fund Net Revenues	\$ 843,730	\$ 377,858	44.8%	4,893,901	2037

City of Fayetteville, Arkansas
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Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable, including					
premiums and discounts	\$ 142,776,571	\$ 14,941,500	\$ (32,619,618)	\$ 125,098,453	\$ 13,590,000
Lease and subscription liabilities	666,523	357,163	(445,983)	577,703	105,065
Net pension liability (NPL)	72,358,918	-	(10,536,808)	61,822,110	-
OPEB liability	1,890,651	218,680	-	2,109,331	-
Compensated absences	12,013,250	301,664	-	12,314,914	736,981
Governmental activities					
Total long-term liabilities	<u>\$ 229,705,913</u>	<u>\$ 15,819,007</u>	<u>\$ (43,602,409)</u>	<u>\$ 201,922,511</u>	<u>\$ 14,432,046</u>
Business-type activities					
Bonds payable, including					
premiums and discounts	\$ -	\$ 5,385,747	\$ -	\$ 5,385,747	\$ -
Lease and subscription liabilities	315,616	-	(59,146)	256,470	62,201
Compensated absences	1,758,286	169,921	-	1,928,207	137,314
Total long-term liabilities	<u>\$ 2,073,902</u>	<u>\$ 5,555,668</u>	<u>\$ (59,146)</u>	<u>\$ 7,570,424</u>	<u>\$ 199,515</u>

The long-term liabilities of the City's internal service fund are included in the totals for governmental activities. The pension liability will be liquidated over time with property taxes, investment earnings, and state turnback funds from the General Fund and the Police Revenue Fund. Compensated absences are liquidated in the fund in which the expenditures/ expenses are accrued. Compensated absences were liquidated in the following governmental funds in 2024: General, Street, Parking, Community Development, Drug Law Enforcement, and Parks Development. The other postemployment benefit (OPEB) liability is funded on a pay-as-you-go basis in the General, Street, Community Development, Drug Law Enforcement, Parking and Parks Development Funds.

G. Applicability of Federal Arbitrage Regulations

Debt issuances of the City issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage regulations require that all earnings from the investment of gross proceeds of a bond issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These rules carry strict penalties for noncompliance, including taxability of interest retroactive to the date of issue. City management believes the City is in compliance with these rules and regulations. The City has no rebatable arbitrage accrued at December 31, 2024.

H. Conduit Debt Obligations

From time to time, the City has issued revenue bonds to finance residential housing, healthcare, and related facilities to persons of low- or moderate-income or for the elderly. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds.

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The City's current conduit debt consists of the Fayetteville Arkansas Public Facilities Board bonds in the amount of \$17,320,000 issued in 2016. The current outstanding balance of these bond issues is \$8,115,000.

5. Other Information

A. Retirement Plans

Each eligible employee is included in one of five defined benefit retirement plans, a defined contribution plan, and/or a deferred compensation plan which the City of Fayetteville sponsors or has adopted. These are the Policemen's Pension and Relief Fund (PPRF), the Firemen's Pension and Relief Fund (FPRF), Arkansas Local Police and Fire Retirement System (LOPFI), General Employee Retirement Savings Plan, and General Employee Non-Qualified Deferred Compensation Plan (Deferred Compensation Plan). Two of the plans are trust funds and are included in the City's reporting entity. The Policemen's Pension and Relief Fund and Firemen's Pension and Relief Fund are funded and administered through the Fayetteville Policemen's Relief Association and Fayetteville Firemen's Relief Association. The other defined benefit contribution plans, the General Employee Retirement Savings Plan and Deferred Compensation Plan, are not administered by the City and are not included as a part of the City's reporting entity. The Arkansas Local Police and Fire Retirement System, Arkansas Public Retirement System, and Arkansas District Judges Retirement System are administered by the State of Arkansas. The General Employee Retirement Savings Plan and Deferred Compensation Plan assets are held in custody by a bank trustee. Aggregate amounts for the defined benefit plans are as follows.

	PPRF	LOPFI	Total
Net pension liability	\$ 6,395,433	\$ 55,426,677	\$ 61,822,110
Deferred outflows of resources	-	15,651,519	15,651,519
Deferred outflows of resources - contributions	-	6,664,091	6,664,091
Deferred inflows of resources	169,782	2,942,430	3,112,212
Pension expense (income)	(358,469)	8,509,955	8,151,486

GENERAL EMPLOYEE RETIREMENT SAVINGS PLAN

Plan Description – The General Employee Retirement Savings Plan is a defined contribution plan qualified under section 401(a) of the Internal Revenue Code. The Bank of Oklahoma Financial Services administers the plan for the City. The initial eligibility for participation in this plan is the first day of the month following the employee's one-year anniversary of employment. Participation in the Plan is voluntary and available to all regular full-time general employees of the City who are at least 20 years of age and who worked at least 1,000 hours in the first 12 months of employment. The plan requires participating employees to contribute at least 3% of their base wages to the Retirement Savings Plan or the Deferred Compensation Plan. The City contribution to the Retirement Savings Plan is 12% of base wages of contributors to either the Retirement Savings Plan or the Deferred Compensation Plan. There is 100% immediate vesting in amounts contributed by the City. The City of Fayetteville Employee Retirement Plan Administrative Committee has the authority to monitor and make changes to the recommended investment portfolio of the plan and to perform other administrative duties. However, the employee has the freedom to place their vested funds in investments outside of the City's portfolio, with no approval from the Committee. Any amendments to the plan contribution provisions would require City Council approval.

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For the year ended December 31, 2024, total covered payroll for the General Employee Retirement Savings Plan amounted to \$27,369,767. Contributions to the Employee Retirement Savings Plan were as follows:

Covered Payroll	Employer		Employee			
	Required and Contributed		Minimum Required		Actual Contributed	
	%	Amount	%	Amount	%	Amount
\$ 27,369,767	12%	\$ 3,284,372	3%	\$ 821,093	6.7%	\$ 1,831,680

POLICEMEN'S PENSION AND RELIEF FUND

Plan Description - The Policemen's Pension and Relief Fund (PPRF) is a single employer defined benefit pension plan for the police personnel employed by the City prior to January 1, 1983. This Plan does not prepare separate financial statements.

The Arkansas Fire and Police Pension Review Board oversees requests for benefit increases and review of the annual financial and actuarial reports. The board is composed of nine members as follows: two fire fighters, two police officers, and three persons appointed by the governor from a list submitted by the Arkansas Municipal League and one person who is not a current or former retiree and who is not a current or former member of the governing body of any political subdivision, to be appointed by the Governor.

In addition to the Arkansas Fire and Police Pension Review Board, each fund has a Board of Trustees consisting of seven members. The members are comprised of the Mayor of the City, the City Clerk/Treasurer and five active or retired members of the pension fund who are elected by secret written ballot in May of each year. Both plans became closed, by State law, to new employees effective January 1983.

Minimum benefits are determined by State statute. Annual voluntary retirement benefits for police and fire equal 90% of the member's highest year's pay. Members are eligible for these benefits after 20 years of service. Employees retiring after January 1, 1987 are entitled to additional compensation of \$240 annually for each year worked in excess of 20 years, up to a maximum additional annual compensation of \$1,200. Benefits for participants over age 59 are increased by 1.25% of final salary for each year worked in excess of 25 years up to a maximum benefit of 100% of final salary.

The board of trustees has the ability to make ad hoc cost of living adjustments (COLA) and other benefit improvements through a process that requires actuarial soundness and approval by the Pension Review Board. Therefore, in the opinion of the actuary, any increases are not substantively automatic, and no COLA is included in the determination of the total pension liability.

Method Used to Value Investments - Investments are stated at fair value in the Combining Statement of Fiduciary Net Position. The fair value of marketable investments, including U.S. Government securities and corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at the statement date (fair value).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net unrealized gains or losses on investments represent the change in the difference between the cost and fair value of the investments at the beginning versus the end of the year.

Contributions – Contributions to the PPRF and FPRF are set forth in Arkansas statute. The City's contributions to the fund are partially funded by a 0.8 mill property tax levy, which amounted to \$954,628 for PPRF and \$1,010,678 for FPRF. In addition, the Plans are funded by a portion of a statewide 2.5% tax on insurance premiums of out-of-state insurance companies. Total on-behalf

City of Fayetteville, Arkansas
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payments from the State Insurance Commissioner of \$265,221 for the Policemen’s Fund and \$476,822 for the Firemen’s Fund were received by the City from the Arkansas Local Police and Fire Retirement System, a state agency. These funds were recognized as revenues and expenses for benefits in the fund financials. Part of those payments included funds authorized by Act 1452 of 1999 and Act 1373 of 2003. These distributions to the Policemen’s and Firemen’s Pension and Relief Funds for the year ended December 31, 2024 were \$101,394 and \$81,041, respectively. The PPRF also receives an allocation of 10% of all fines and forfeitures collected by the City for violations of ordinances or State laws.

The net pension liabilities for both plans have been recognized in the City’s statement of net position on page 28 to comply with GASB standards. However, based on an interpretation of state law by the City’s legal counsel, management of the City believes that if these plans were to become insolvent, whereby remaining plan assets were not adequate to pay current benefits, the City may not be legally obligated to fund any deficiency.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future. The schedules presented as required supplementary information following the notes to the financial statements will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

GASB Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25* (GASB 67), establishes the requirements for governmental pension plan financial statement reporting, including pension plan financial statements included as a pension trust fund of a government. Accordingly, GASB 67 applies to the City’s reporting of PPRF’s and FPRF’s statement of fiduciary net position, statement of changes in fiduciary net position, certain notes to the financial statements, and certain required supplementary information (RSI). GASB 68 sets forth the pension reporting requirements for the City in the statement of net position, statement of activities, certain notes to the financial statements, and certain RSI. As no standalone financial reporting is issued for the PPRF or FPRF, all required disclosures for both GASB 67 and GASB 68 are contained in this note.

GASB 67 and 68 Disclosure

The following is the condensed financial information as of December 31, 2024 of the Policemen’s Pension and Relief Fund.

	Policemen’s Pension and Relief
Assets	
Cash	\$ 483,761
Investments at fair value	6,163,053
Accrued interest	16,539
Due from primary government	11,705
Due from other government	61,634
Total assets	6,736,692
Liabilities	
Due to primary government	-
Unearned revenue	9,300
Total liabilities	9,300
Net Position	
Net position restricted for pension	\$ 6,727,392

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Additions

City contributions	\$	126,748
Property taxes contributed		959,183
State insurance taxes contributed		326,152
Interest earnings		152,009
Net increase (decrease) in fair value of investments		345,094
Gain/loss on sale of investments		117,153
Other		(16,079)
Total additions		<u>2,010,260</u>

Deductions

Contractual services		3,520
Benefit payments		<u>1,394,006</u>
Total deductions		<u>1,397,526</u>

Change in Net Position

Net position, beginning of year		<u>6,114,658</u>
Net position, end of year	\$	<u><u>6,727,392</u></u>

Membership Information – As of December 31, 2024, there are 36 police retirees and beneficiaries receiving benefits. There are no active employees in the Plan.

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 target allocation for all local police and fire pension funds, the target for an individual fund will vary within guidelines of Arkansas law and regulation. The target allocation and the long-term expected rates of return as of December 31, 2024 are shown in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Fixed Income	80%	2.25%
Domestic Equity	10%	4.75%
Foreign Equity	0%	6.25%
Cash and cash equivalents	10%	0.25%
Total	<u>100%</u>	

Investment Concentrations – Investment concentrations, as defined by the Governmental Accounting Standards Board, is any investment in any one organization (other than those issued or explicitly guaranteed by the U.S. government) that represent 5% or more of PPRF or fiduciary net position. There were no such investment concentrations as of December 31, 2024.

Investment Rate of Return – For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.57% for the PPRF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Net Pension Liability – The components of the net pension liability for the plan at December 31, 2024 are as follows:

	PPRF
Total pension liability	\$ 13,118,270
Plan net position	(6,722,837)
Net pension liability	\$ 6,395,433
Plan position as a % of total pension liability	51.25%

Single Discount Rate – The single discount rate is used for the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be projected and compared to the obligation to make benefit payments in those years. As long as assets are projected to be sufficient in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required. The single discount rate is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The expected rate of return of 5% for the Policemen’s Pension was used to measure the total pension liability as of December 31, 2024.

Sensitivity - Regarding the sensitivity of the total and net pension liability to changes in the single discount rate, the following presents the plan’s liability calculated using a single discount rate as well as what the plan’s liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher as of December 31, 2024.

	1% Decrease 4%	Current Rate Assumed 5%	1% Increase 6%
Policemen’s Pension Fund			
Net pension liability	\$ 7,494,907	\$ 6,395,433	\$ 5,440,027

Schedules of the components of the Policemen’s Pension and Relief Fund’s net pension liabilities, changes in the net pension liability, pension expense, and deferred outflows are listed below.

Net Pension Liability Policemen’s Pension and Relief Fund

	2024	2023	2022
Total pension liability	\$ 13,118,270	\$ 14,389,238	\$ 14,003,873
Plan net position	(6,722,837)	(6,113,025)	(5,679,717)
Net pension liability	\$ 6,395,433	\$ 8,276,213	\$ 8,324,156
Plan position as a % of total pension liability	51.25%	42.48%	40.56%

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Changes in Net Pension Liability Policemen's Pension and Relief Fund

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances, December 31, 2023	\$ 14,389,238	\$ 6,113,025	\$ 8,276,213
Service Cost	-	-	-
Interest on TPL	687,118	-	687,118
Differences between Expected and Actual Experience	(664,331)	-	(664,331)
Employer Contributions	-	1,317,890	(1,317,890)
Net Investment Income	-	584,914	(584,914)
Benefits and Refunds	(1,293,756)	(1,293,756)	-
Other	-	4,283	(4,283)
Administrative Expenses	-	(3,520)	3,520
Assumption Changes	-	-	-
Net Changes	<u>(1,270,969)</u>	<u>609,811</u>	<u>(1,880,780)</u>
Balances, December 31, 2024	<u>\$ 13,118,269</u>	<u>\$ 6,722,836</u>	<u>\$ 6,395,433</u>

Pension Expense Policemen's Pension and Relief Fund

	2024
Interest on Total Pension Liability	\$ 687,118
Projected earnings on plan assets	(306,167)
Administrative expenses	3,520
Other	(4,283)
Recognition of outflow (inflow) due to liabilities	(664,331)
Recognition of outflow (inflow) due to assets	(74,326)
Total pension expense	<u>\$ (358,469)</u>

At December 31, 2024, the City reported deferred inflows of resources related to the Policemen's Pension and Relief Fund from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 169,782</u>

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

Year Ending December 31	Deferred Outflows (Inflows) of Resources
2025	\$ (32,110)
2026	49,576
2027	(131,499)
2028	(55,749)
Total	<u>\$ (169,782)</u>

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Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The State of Arkansas Fire and Police Pension Review Board is responsible for the coordination of the actuarial valuations performed on the Policemen’s Pension and Relief Fund. Actuarial valuation for the fund is performed annually and the last valuation was December 31, 2023. Actuarial assumptions used in evaluating the funds include entry age cost method, level percent open amortization method, an amortization period of five years for retirees, 5% investment rate of return, and the 1983 Group Annuity Mortality Table for males set back five years for females. The actuarial value of assets was determined using the fair value of investments.

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM

Plan Description – The Arkansas Local Police and Fire Retirement System (LOPFI) is a statewide retirement plan for police officers and fire fighters of a political subdivision of the State of Arkansas. It was established under the authority of Act 364 of 1981 and bears a fiduciary obligation to the participants of the system. LOPFI maintains a cost-sharing multiple employer defined benefit pension plan for participants hired by the respective local government unit after January 1, 1983. LOPFI issues separate financial statements which can be obtained by writing to LOPFI, P.O. Drawer 34164, Little Rock, AR 72203 or by calling (501) 682-1745.

LOPFI policy is established by a seven-member Board of Trustees: two trustees who are active members of the system, one police officer and one firefighter, nominated by their respective employee groups, and appointed by the Governor; two employer representatives from governing bodies of the participating political subdivisions and appointed by the Governor from a list submitted by the Arkansas Municipal League; two retired members, one police officer and one firefighter, appointed by the Governor from a list provided by the Joint Committee on Public Retirement and Social Security Programs; and one citizen who is neither an employee nor employer of the system appointed by the Governor from a list submitted by the Joint Committee on Public Retirement and Social Security Programs. An Executive Director is appointed by the board and administers the System in a manner consistent with law and board policy.

Membership Information – The State of Arkansas is responsible for the coordination of the actuarial valuations performed on LOPFI. As of December 31, 2023, the most recent information available from the State, City of Fayetteville employee membership data related to the plans were as follows:

	Police	Fire
Retirees and beneficiaries currently receiving benefits	119	147
Active plan participants:		
Fully vested	69	81
Nonvested	49	38
Total active plan participants	118	119

Employees terminating from the plan before normal retirement age with at least five, but less than 20 years of credited service, may receive future benefits provided the employee does not withdraw his/her accumulated contributions and lives to his/her annuity starting date.

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Benefit Terms – The benefit terms for the cost-sharing multiple-employer plan are established in accordance with the provision of the Arkansas Code.

Contributions – The employee contribution rate depends on the type of service being rendered whether or not the service is also covered by social security. The contribution rate which applies to the City of Fayetteville members is 9.5% of gross pay beginning July 1, 2024 and 8.5% prior to that date.

The employer contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to insure that the individual system employers can honor their benefit commitments to covered employees. The City’s contribution rate during 2023 was 26.5% for the Police Plan 26.5% for the Fire Plan.

Total contributions to the pension plans for the year ended December 31, 2023 were \$8,192,930 of which \$6,110,820 was contributed by the City and \$2,082,110 was contributed by employees. On-behalf payments from a state insurance tax of \$939,456 for Policemen and \$906,225 for Firemen were received by the City from LOPFI.

City contributions to the retirement plan in 2024 totaled \$6,664,091 and were recorded as deferred outflows of resources in the Statement of Net Position.

Net Pension Liability – The components of the net pension liability of paid entities participating in the cost-sharing pension plan at December 31, 2023 was as follows:

Total pension liability	\$	3,776,617,567
Plan’s fiduciary net position		2,775,679,653
Net pension liability		1,000,937,914
Plan’s fiduciary net position as a percentage of total pension liability		73.50%

The net pension liability for the City’s portion of the total plan was \$26,824,341 for the Fire Plan and \$28,602,336 for the Police Plan, and this total liability of \$55,426,677 has been recognized in the City’s statement of net position on page 26.

Actuarial Assumptions - The total pension liability as of December 31, 2024 was determined by an actuarial valuation as of December 31, 2023 using the following actuarial assumptions:

Paid Service Assumptions:

Wage inflation	3.25%
Price inflation	2.50%
Salary increases	3.50% to 18.00%, including inflation
Investment rate of return	7.25%
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of Payroll, Closed Remaining amortization
period	16.0 years beginning January 1, 2023
Asset valuation method	5-year smoothed market; 20% corridor

Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2017 to 2020.

Mortality - The healthy post-retirement tables used were 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 Disabled Retiree tables for males and females. The death-in-service mortality tables used

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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 long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table.

Asset Class	Target Allocation	Long-Term Exp Real Rate of Ret
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%	

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the net pension liability of the plan, calculated using a single discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher.

	Discount Rate Assumption		
	1% Decrease 6.25%	Current Rate Assumption 7.25%	1% Increase 8.25%
Net pension liability - Fire	\$ 42,047,110	\$ 26,824,341	\$ 14,511,384
Net pension liability - Police	\$ 44,834,115	\$ 28,602,336	\$ 15,473,241

At December 31, 2024, the City reported a liability of \$55,426,677 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 proportionate share was 5.54%.

For the year ended December 31, 2024, the City recognized pension expense of \$8,509,955 related to this plan. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources.

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Deferred Outflows of Resources Policemen’s and Firemen’s Local Retirement Fund

Description	Policemen’s Fund	Firemen’s Fund
Actual vs. Expected Experience	\$ 3,506,040	\$ 3,288,095
Net difference between projected and actual investment earnings of pension plan investments	2,647,226	2,482,668
Assumption changes	107,647	100,956
Changes in proportion and differences between employer contributions and share of contributions	2,149,325	1,369,562
Contributions subsequent to the measurement date	3,553,264	3,110,827
Total	\$ 11,963,502	\$ 10,352,108

Deferred Inflows of Resources Policemen’s and Firemen’s Local Retirement Fund

Description	Policemen’s Fund	Firemen’s Fund
Changes in assumptions	\$ 1,338,122	\$ 1,254,941
Changes in proportion and differences between employer contributions and share of contributions	-	349,367
Total	\$ 1,338,122	\$ 1,604,308

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$3,553,264 for Policemen’s Fund and \$3,110,827 for the Firemen’s Fund will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred inflows and outflows of resources related to the Plan will be recognized as follows:

Year Ending December 31	Policemen’s Fund Net Deferred Outflows (Inflows) of Resources	Firemen’s Fund Net Deferred Outflows (Inflows) of Resources
2025	\$ 2,351,080	\$ 1,568,008
2026	3,004,290	2,497,969
2027	2,844,254	2,628,415
2028	(1,127,508)	(1,057,419)
Total	\$ 7,072,116	\$ 5,636,973

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B. Other Postemployment Benefits

Plan Description - The City of Fayetteville sponsors and administers an informal single-employer defined benefit healthcare plan. Arkansas statute provides that any municipal City official or employee vested in one of the City's retirement plans with 20 years of service and who attains 55 years of age or at any age after 28 years of service may continue to participate in the City's healthcare plan after retirement. The State of Arkansas has the authority to establish and amend the requirements of this statute. No assets are accumulated in a trust that meets the criterion in paragraph 4 of GASB Statement No. 75.

Funding Policy – The contribution requirements of plan members are established by the City and may be amended as needed. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the City's health insurance plan. The City is not required to make contributions to the Plan on behalf of the retirees and funds the Plan on a projected pay-as-you-go financing method. The Plan has 26 inactive participants who pay monthly premiums between \$453 for single high-deductible coverage and \$2,643 for PPO family coverage.

OPEB Liability – The following table shows the components of the changes in City's annual OPEB liability for the year measured as of December 31, 2024.

Service cost	\$	19,314
Interest		69,624
Difference between expected and actual experience		90,038
Changes in assumptions/inputs		164,984
Benefit payments		(125,279)
Net Change in Total OPEB Liability		218,681
Total OPEB Liability Beginning		1,890,651
Total OPEB Liability Ending	\$	<u>2,109,332</u>

Discount Rate and Healthcare Cost Trend Rate Sensitivity – The following schedule shows the impact to the Total OPEB Liability if the discount rate and healthcare cost trend rate used were 1% less than and 1% greater than the rates used in measuring the Total OPEB Liability.

	<u>1% Decrease</u>	<u>No Change</u>	<u>1% Increase</u>
Discount Rate	\$ 2,240,086	\$ 2,109,332	\$ 1,959,510
Healthcare Cost Trend Rates	\$ 1,941,363	\$ 2,109,332	\$ 2,260,900

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

OPEB Expense

Service cost	\$	19,314
Interest on liabilities		69,624
Difference between actual and expected experience		82,396
Changes in assumptions/inputs		(23,095)
Total OPEB Expense	\$	<u>148,239</u>

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

Deferred Outflows and Inflows	Outflows	Inflows
Differences between actual and expected experience	\$ 77,175	\$ -
Changes of assumptions or other inputs	141,415	
Total Deferred Outflows and Inflows	\$ 218,590	\$ -

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

Year Ended Dec 31:

2025	\$ 36,432
2026	36,432
2027	36,432
2028	36,432
2029	36,432
Thereafter	36,430
	<u>\$ 218,590</u>

Actuarial Assumptions – The Total OPEB Liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to the measurement date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date:	December 31, 2024
Actuarial Valuation Date:	January 1, 2023
Inflation:	2.40%
Salary Increases, including inflation:	3.25%
Discount Rate:	4.28%
Prior Year Discount Rate:	3.77%
Health Care Claim Cost Trend Rates	3.8% to 6.5%

The discount rate was based on the December 31, 2024 S&P Municipal Bond 20 Year High Grade Index Yield.

Mortality rates for active employees were based on the PubG.H-2010 (for general employees) and PubS.H-2010 (for public safety employees) Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (for general retirees) and PubS.H-2010 (for public safety retirees) and Retiree Mortality Table, Generational with Projections Scale MP-2021 for males or females.

OPEB Plan – Number of Employees Covered

Inactive employees currently receiving benefits	24
Inactive employees entitled to but not receiving benefits	0
Active employees in health care plan	<u>672</u>
Total	<u><u>696</u></u>

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

C. Litigation

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

D. Contingent Liabilities

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The City believes that any liability for reimbursement which may arise as a result of audits of grant funds would not be material.

E. Risk Management

The City's comprehensive risk management program is administered with the assistance of a professional risk management broker. The City is exposed to the risk of various losses such as theft of, damage to, and destruction of assets; errors and omissions; and personal injury; natural disasters and employee health and accidents. The City limits losses and manages risk through the purchase of insurance policies with several different carriers. In addition, the City instituted various safety programs to reduce losses. The budgeting process includes provisions for accumulating funds to cover deductibles and any minor items which would not be covered by commercially purchased policies. There have been no significant reductions in insurance coverage from coverage in the prior year, and there were no settlements that exceeded insurance coverage in the past three fiscal years.

F. Economic Uncertainties

The City invests in various investment securities. Investment securities are exposed to various risks such as interest rate and market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

G. Subsequent Events

The City has established a new Stormwater Utility Program in December 2024. This program will provide a more sustainable and holistic approach to stormwater management. The Fayetteville City Council adopted a stormwater utility fee that will go into effect in August 2025. The stormwater utility program, a new proprietary fund, will be funded by the fee, and will support the City's stormwater management goals and improve water quality.

H. New Accounting Pronouncements

GASB has issued the following statements which will be effective in future years as described below: *GASB Statement No. 102, Certain Risk Disclosures*, is effective for the City in the fiscal year 2025. The objective of the statement is to better meet the information needs for financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB Statement No. 103, Financial Reporting Model Improvements, is effective for the City in the fiscal year 2025. 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 governments accountability. This Statement also addresses certain application issues.

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

GASB Statement No. 104, Disclosure of Certain Capital Assets, is effective for the City's fiscal year 2025. The objective of this statement is to provide users of financial statements with essential information about certain capital assets.

The City has not yet determined the impact of implementing the above new pronouncements.

**Policemen's Pension and Relief Fund
Required Supplementary Information
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios**

Fiscal Year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost										
Interest on the Total Pension Liability	\$ 687,118	\$ 666,241	\$ 731,142	\$ 726,296	\$ 768,086	\$ 806,024	\$ 819,446	\$ 858,162	\$ 886,939	\$ 946,650
Change of benefit terms										
Differences between expected and actual experience	(664,331)	1,077,229	(670,959)	229,932	(227,298)	(157,062)	343,944	(179,824)	5,637	(657,782)
Assumption changes	0	0	0	498,892						
Benefit payments	(1,293,756)	(1,358,305)	(1,358,105)	(1,358,105)	(1,395,069)	(1,420,375)	(1,443,274)	(1,462,046)	(1,471,260)	(1,494,905)
Net change in total pension liability	(1,270,969)	385,165	(1,297,922)	97,015	(854,281)	(771,413)	(279,884)	(783,708)	(578,684)	(1,206,037)
Total pension liability - beginning	\$ 14,389,239	\$ 14,004,074	\$ 15,301,996	\$ 15,204,981	\$ 16,059,262	\$ 16,830,675	\$ 17,110,559	\$ 17,895,733	\$ 18,474,417	\$ 19,680,454
Total pension liability - ending	\$ 13,118,270	\$ 14,389,239	\$ 14,004,074	\$ 15,301,996	\$ 15,204,981	\$ 16,059,262	\$ 16,830,675	\$ 17,112,025	\$ 17,895,733	\$ 18,474,417
Plan fiduciary net position										
Contributions - employee										
Contributions - employer	1,317,890	1,137,809	1,066,125	1,014,448	941,534	960,615	944,631	1,025,138	871,161	831,117
Net Investment Income	584,914	657,136	(584,750)	709,610	506,858	918,114	(370,254)	814,500	440,255	(226,625)
Benefit payments	(1,293,756)	(1,358,105)	(1,358,305)	(1,358,105)	(1,395,069)	(1,420,375)	(1,443,274)	(1,556,766)	(1,471,260)	(1,494,905)
Administrative expense	(3,520)	(3,532)	(3,789)	(1,904)	(3,816)	(3,732)	(3,537)	(3,525)	(4,685)	(3,543)
Other	4,284	0	0	0	2,596	100	300	3,862	2,416	450
Net change in plan fiduciary net position	609,812	433,308	(880,719)	364,049	52,103	454,722	(872,134)	283,209	(162,113)	(893,506)
Plan fiduciary net position - beginning	\$ 6,113,025	\$ 5,679,717	\$ 6,560,436	\$ 6,196,387	\$ 6,144,284	\$ 5,689,562	\$ 6,561,696	\$ 6,080,618	\$ 6,242,731	\$ 7,136,238
Plan fiduciary net position - ending	\$ 6,722,837	\$ 6,113,025	\$ 5,679,717	\$ 6,560,436	\$ 6,196,387	\$ 6,144,284	\$ 5,689,562	\$ 6,363,827	\$ 6,080,618	\$ 6,242,732
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.25%	42.48%	40.56%	42.87%	40.75%	38.26%	33.80%	37.19%	33.97%	33.79%
Net Pension Liability	\$ 6,395,433	\$ 8,276,214	\$ 8,324,357	\$ 8,741,560	\$ 9,008,594	\$ 9,914,978	\$ 11,141,113	\$ 10,748,198	\$ 11,815,115	\$ 12,231,685
Covered Payroll										
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This information is presented as of the measurement date, which is December 31.

Presentation note: Because this plan does not issue standalone financial statements, additional disclosures as required by GASB 67 are presented within this financial report.

**Policemen's Pension and Relief Fund
Required Supplementary Information
Schedule of City's Contributions - Comparison to the Actuarially Determined Contributions**

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as % of Payroll
12/31/2015 \$	2,828,412	\$ 831,117	\$ 1,997,295		N/A
12/31/2016	2,757,944	871,161	1,886,783		N/A
12/31/2017	2,664,018	1,025,138	1,638,880		N/A
12/31/2018	2,378,509	944,631	1,433,878		N/A
12/31/2019	2,512,047	960,615	1,551,432		N/A
12/31/2020	2,235,583	941,534	1,294,049		N/A
12/31/2021	2,031,216	1,014,448	1,016,768		N/A
12/31/2022	1,971,007	1,066,125	904,882		N/A
12/31/2023	2,159,488	1,137,809	1,021,679		N/A
12/31/2024	1,866,082	1,317,890	548,192		N/A

Key Assumptions:

Cost Method	Entry Age Normal
Amortization Method	Level dollar, open
Remaining amortization	Five years
Asset Valuation	Fair Value of Assets
Investment rate of return	5.00%
Mortality	After 2021, Pub-2010 General, Below Median Income, Healthy Set forward 1 year males, 2 years females, Projected MP-2020 (Before 2022, 1983 Group Annuity Mortality Table (GAM))

**Police Pension and Relief Fund
Required Supplementary Information
Schedule of the Annual Money-Weighted Rate of Investment Return**

Fiscal Year Ending	Annual Money- Weighted Rate of Return
12/31/2015	-3.33%
12/31/2016	7.41%
12/31/2017	17.45%
12/31/2018	-5.87%
12/31/2019	16.82%
12/31/2020	8.57%
12/31/2021	11.78%
12/31/2022	-9.12%
12/31/2023	11.80%
12/31/2024	9.57%

The amounts shown are net of investment expense.

The actuary calculated these rates using the provided information; therefore, these are annual money-weighted rates. Monthly money-weighted returns were not available.

**Required Supplementary Information
Arkansas Local Police and Fire Retirement system (LOPFI)**

**Schedule of the City's Proportionate Share of Net Pension Liability
Fiscal Year Ended December 31, 2024**

City Fiscal Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability										
Fire paid service	2.6799%	2.4394%	2.5602%	2.5273%	2.6225%	2.6804%	2.7605%	2.6277%	2.5751%	2.6842%
Police paid service	2.8576%	2.5289%	2.4203%	2.4147%	2.4272%	2.3793%	2.2927%	2.2570%	2.2775%	2.1913%
City's proportionate share of the net pension liability										
Fire-paid service	\$ 26,824,341	\$ 26,045,480	\$ 12,937,105	\$ 17,374,622	\$ 20,265,291	\$ 24,186,958	\$ 19,615,883	\$ 14,991,928	\$ 13,513,511	\$ 9,716,902
Police-paid service	\$ 28,602,336	\$ 27,000,564	\$ 12,229,965	\$ 16,600,555	\$ 18,756,279	\$ 21,470,010	\$ 16,291,910	\$ 12,876,848	\$ 11,951,884	\$ 7,932,604
City's covered-payroll										
Fire-paid service	\$ 11,159,992	\$ 9,104,100	\$ 8,954,179	\$ 8,602,573	\$ 8,418,264	\$ 8,050,035	\$ 7,743,986	\$ 7,088,470	\$ 6,526,901	\$ 6,168,840
Police-paid service	\$ 11,899,706	\$ 9,439,700	\$ 8,490,276	\$ 8,274,913	\$ 8,161,421	\$ 7,807,450	\$ 7,187,808	\$ 6,828,509	\$ 6,785,035	\$ 6,559,807
City's proportionate share of the net pension liability as a percentage of it's covered-payroll										
Fire-paid service	240.36%	286.09%	144.48%	201.97%	240.73%	300.46%	253.30%	211.50%	207.04%	157.52%
Police-paid service	240.36%	286.03%	144.05%	200.61%	229.82%	274.99%	226.66%	188.57%	176.15%	120.93%
Plan fiduciary net position as a percentage of the total pension liability										
	73.50%	69.20%	84.75%	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	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.

Assumption changes for 2020 include a price inflation of 2.50%; a wage inflation of 3.25%;

**Required Supplementary Information
Arkansas Local Police and Fire Retirement system (LOPFI)**

**Schedule of City's Contributions
Fiscal Year Ended December 31, 2024**

City Fiscal year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution										
Fire-paid service	\$ 3,110,827	\$ 2,957,398	\$ 2,367,066	\$ 2,328,086	\$ 2,236,669	\$ 2,188,749	\$ 2,093,009	\$ 1,975,005	\$ 1,736,675	\$ 1,599,091
Police-paid service	\$ 3,553,264	\$ 3,153,422	\$ 2,454,322	\$ 2,207,472	\$ 2,138,238	\$ 2,027,297	\$ 1,861,296	\$ 1,641,695	\$ 1,491,346	\$ 1,414,299
Contributions in relation to the contractually required contribution										
Fire-paid service	\$ 3,110,827	\$ 2,957,398	\$ 2,367,066	\$ 2,328,086	\$ 2,236,669	\$ 2,188,749	\$ 2,093,009	\$ 1,975,005	\$ 1,736,675	\$ 1,599,091
Police-paid service	\$ 3,553,264	\$ 3,153,422	\$ 2,454,322	\$ 2,207,472	\$ 2,138,238	\$ 2,027,298	\$ 1,861,296	\$ 1,641,695	\$ 1,491,346	\$ 1,414,299
Contribution deficiency (excess)										
Fire-paid service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police-paid service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-payroll										
Fire-paid service	\$ 11,738,970	\$ 11,159,992	\$ 9,104,100	\$ 8,954,177	\$ 8,602,573	\$ 8,418,265	\$ 8,050,035	\$ 7,745,118	\$ 7,088,470	\$ 6,526,901
Police-paid service	\$ 13,408,543	\$ 11,899,706	\$ 9,439,700	\$ 8,490,277	\$ 8,274,915	\$ 8,161,421	\$ 7,807,450	\$ 7,187,806	\$ 6,828,509	\$ 6,785,035
Contributions as a percentage of covered-payroll										
Fire-paid service	26.50%	26.50%	26.00%	26.00%	26.00%	26.00%	26.00%	25.50%	24.50%	24.50%
Police-paid service	26.50%	26.50%	26.00%	26.00%	25.84%	24.84%	23.84%	22.84%	21.84%	20.84%

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Increasing Dollar, Closed
Remaining Amortization Period	16 years beginning January 1, 2023
Asset Valuation Method	5-Year smoothed fair value, 20% corridor
Wage Inflation	3.25%
Price Inflation	2.50%
Salary Increases	3.50% to 18.00%, including inflation
Investment Rate of Return	7.25%, as adopted by the Board
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last update for the 2021 valuation pursuant to an experience study of the period 2012-2016.
Mortality	The healthy post-retirement tables used were 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 Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Schedule of Changes in the Total OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 19,314	\$ 19,242	\$ 23,842	\$ 25,755	\$ 23,078	\$ 14,176	\$ 14,658
Interest	69,624	73,500	32,616	35,950	49,546	44,608	44,813
Changes of benefit terms	-	-	-	-	(115,259)	-	-
Differences btwn expected and actual experience	90,037	139,067	5,787	272,773	8,133	163,157	(15,638)
Changes in assumptions or other inputs	164,984	(93,329)	58,069	(315,817)	79,116	439,374	-
Benefit payments	(125,279)	(89,748)	(62,244)	(20,519)	(77,616)	(61,584)	(36,171)
Net Change in Total OPEB Liability	\$ 218,680	\$ 48,732	\$ 58,070	\$ (1,858)	\$ (33,002)	\$ 599,731	\$ 7,662
Total OPEB Liability - beginning	\$ 1,890,651	\$ 1,841,920	\$ 1,783,850	\$ 1,785,709	\$ 1,818,712	\$ 1,218,982	\$ 1,211,320
Total OPEB Liability - end	\$ 2,109,331	\$ 1,890,652	\$ 1,841,920	\$ 1,783,851	\$ 1,785,710	\$ 1,818,713	\$ 1,218,982
Covered Employee Payroll	\$ 39,067,501	\$ 37,837,773	\$ 35,788,303	\$ 34,661,795	\$ 33,646,658	\$ 32,587,562	\$ 31,271,218
Total OPEB Liability as a percentage of covered employee payroll	5.4%	5.0%	5.1%	5.1%	5.3%	5.6%	3.9%
Notes to Schedule:							
Change of Benefit Terms:			None				
Changes of Assumptions:			Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:				
			2018	3.71%			
			2019	2.75%			
			2020	2.00%			
			2021	1.84%			
			2022	4.05%			
			2022	3.77%			
			2022	4.28%			

***Health Insurance Plan**

No assets are accumulated in a trust. Any changes are assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for resources which are designated by law or contractual agreement for particular activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes, federal grant, and entitlement monies.

STREET - This fund accounts for State and County taxes which are to be spent on street and sidewalk construction, maintenance, and repair.

PARKING - This fund accounts for funds received from parking meter revenues, parking lot rentals, and parking fines. These monies are expended for maintenance and capital improvements of parking lots.

RESIDENTIAL DISTRICT PARKING FUND - This fund accounts for the revenues and expenses of the Wilson Park South Neighborhood Parking District.

COMMUNITY DEVELOPMENT - This fund accounts for the community development grant funds received from the Federal Department of Housing and Urban Development.

IMPACT FEE - This fund accounts for the fees paid by new developments to be used to construct water and wastewater facilities that serve such developments and for Police and Fire fees used for capital acquisitions.

DRUG LAW ENFORCEMENT - This fund accounts for drug law enforcement grant funds received from the U.S. Department of Justice, passed through the State of Arkansas, in association with Washington County; the University of Arkansas; the Cities of Springdale, Prairie Grove, Lincoln, Elm Springs, Goshen, Farmington, Greenland, Johnson, Elkins, and West Fork and the Fourth Judicial Prosecuting Attorney.

SPECIAL GRANTS - This fund accounts for a grant from the National Endowment of the Arts for an art project in the Entertainment District of Fayetteville.

POLICE AND FIRE PENSION REVENUE - This fund accounts for the property taxes and state contributions made to the Police Pension and Relief Fund.

AMERICAN RESCUE PLAN ACT - This fund accounts for grant funds from the federal government to address the COVID-19 pandemic and the corresponding economic crisis.

FIRE PENSION SPECIAL - This fund accounts for the property taxes and state contributions made to the Fire Relief Pension Fund.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

TAX INCREMENT FINANCING (TIF) BOND FUND - This fund accounts for the accumulation of resources for the payment of bonded debt for the economic development of the Highway 71 East Square Redevelopment District No. 1 Project.

PARKING DECK BOND FUND - This fund accounts for the accumulation of net parking revenues for the payment of bonded debt for the construction of a parking deck in the City's Entertainment District.

HMR BOND FUND - This fund accounts for the accumulation of resources for the payment of bonded debt for the City's Regional Park Project, the Walton Arts Center Expansion Project, and a refunding of the Town Center 2003 debt.

LIBRARY BOND 2017 FUND - This fund accounts for the accumulation of resources for the payment of bonded debt for the construction of the expansion of Fayetteville Public Library.

Capital Project Fund

Capital project funds are used to account for financial resources that are restricted, committed, or assigned for expenditures for capital outlays.

BOND PROGRAM GRANT MATCHING FUND - This fund accounts for the grants and contributions and matching City funds for projects associated with bond construction funds.

SALES TAX 2019 CONSTRUCTION FUND - This fund accounts for the bond proceeds from a bond issue for multiple City projects including streets, trails, police, fire, drainage, parks, and a cultural arts corridor.

SALES TAX 2024 CONSTRUCTION FUND - This fund accounts for the bond proceeds from a bond issue for multiple City projects including streets and parks.

City of Fayetteville, Arkansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

Special Revenue Funds									
	Street	Parking	Residential District Parking	Community Development	Impact Fee	Drug Law Enforcement	American Rescue Plan Act	Police & Fire Pension Revenue	Fire Pension Special
Assets and Deferred Outflows of Resources									
Cash	\$ -	\$ 528,555	\$ 1,372	\$ 57,224	\$ -	\$ 348,891	\$ 1,926,865	\$ -	\$ 371,688
Investments	12,095,542	2,004,036	96,313	-	11,136,427	-	-	-	-
Accounts receivable	8,598	1,745	-	-	-	-	-	-	-
Accounts receivable - leases	-	824,053	-	-	-	-	-	-	-
Accrued interest	83,926	16,137	668	-	77,271	-	-	-	-
Due from other funds	-	-	-	6,600	-	15,817	-	-	-
Due from other governments	809,215	-	-	-	-	27,697	-	1,035,720	1,097,353
Prepaid expenditures and other assets	133	403	-	-	-	3,472	-	-	-
Restricted assets:									
Investments	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	38,386	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 12,997,414	\$ 3,374,929	\$ 98,353	\$ 102,210	\$ 11,213,698	\$ 395,877	\$ 1,926,865	\$ 1,035,720	\$ 1,469,041
Liabilities, Deferred Inflows of Resources and Fund Balances									
Accounts payable	\$ 259,782	\$ 89,104	\$ 112	\$ 8,278	\$ 35,715	\$ 38,670	\$ 42,568	\$ -	\$ -
Accrued expenditures	94,899	14,218	-	10,586	-	10,434	-	-	-
Due to other funds	2,484	1,163	-	4,090	-	124	-	-	-
Unearned revenue	-	75,598	-	15,000	-	19,976	1,771,534	-	-
Total liabilities	357,165	180,083	112	37,954	35,715	69,204	1,814,102	-	-
Deferred inflows of resources									
Unavailable revenue - grants and accounts receivable	-	-	-	-	-	-	-	-	-
Unavailable revenue - taxes	-	-	-	-	-	-	-	1,035,720	1,035,720
Unavailable revenue - leases	-	789,194	-	-	-	-	-	-	-
Total deferred inflows of resources	-	789,194	-	-	-	-	-	1,035,720	1,035,720
Total liabilities and deferred inflows of resources	357,165	969,277	112	37,954	35,715	69,204	1,814,102	1,035,720	1,035,720
Fund Balances									
Nonspendable:									
Prepays	133	403	-	-	-	3,472	-	-	-
Restricted for:									
General government	-	-	-	-	-	-	-	-	-
Transportation and parking	12,640,116	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,351,424	323,201	-	-	433,321
Community planning and engineering	-	-	-	64,256	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Water and wastewater	-	-	-	-	9,826,559	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Committed to:									
General government	-	-	-	-	-	-	112,763	-	-
Assigned to:									
Transportation and parking	-	2,405,249	98,241	-	-	-	-	-	-
Unassigned fund balances	-	-	-	-	-	-	-	-	-
Total fund balance	12,640,249	2,405,652	98,241	64,256	11,177,983	326,673	112,763	-	433,321
Total liabilities, deferred inflows of resources and fund balances	\$ 12,997,414	\$ 3,374,929	\$ 98,353	\$ 102,210	\$ 11,213,698	\$ 395,877	\$ 1,926,865	\$ 1,035,720	\$ 1,469,041

City of Fayetteville, Arkansas
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2024

	Debt Service Funds				Capital Project Funds			Total Nonmajor Governmental Funds
	TIF Bond	Parking Deck Bond	HMR Bond	Library Bond 2017	Bond Program Grant Matching	Sales Tax 2019 Construction	Sales Tax 2024 Construction	
Assets and Deferred Outflows of Resources								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,234,595
Investments	-	-	-	-	-	714,369	-	26,046,687
Accounts receivable	-	-	-	-	-	-	-	10,343
Accounts receivable - leases	-	-	-	-	-	-	-	824,053
Accrued interest	-	-	-	-	-	8,480	-	186,482
Due from other funds	-	-	-	-	-	-	-	22,417
Due from other governments	-	-	-	-	184,617	-	-	3,154,602
Prepaid expenditures and other assets	-	-	-	-	-	-	-	4,008
Restricted assets:								
Investments	603,545	364,035	135,450	2,766,234	-	2,493,652	14,786,725	21,149,641
Accrued interest	2,158	1,241	462	30,139	-	-	50,390	84,390
Due from other governments	715,878	-	-	-	-	-	-	754,264
Total assets and deferred outflows of resources	\$ 1,321,581	\$ 365,276	\$ 135,912	\$ 2,796,373	\$ 184,617	\$ 3,216,501	\$ 14,837,115	\$ 55,471,482
Liabilities, Deferred Inflows of Resources and Fund Balances								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,057	\$ 248,182	\$ -	\$ 726,468
Accrued expenditures	-	-	-	-	-	-	-	130,137
Due to other funds	-	-	-	-	40,055	263	-	48,179
Unearned revenue	-	-	-	-	15,708	-	-	1,897,816
Total liabilities	-	-	-	-	59,820	248,445	-	2,802,600
Deferred inflows of resources								
Unavailable revenue - grants and accounts receivable	-	-	-	-	184,617	-	-	184,617
Unavailable revenue - taxes	715,878	-	-	-	-	-	-	2,787,318
Unavailable revenue - leases	-	-	-	-	-	-	-	789,194
Total deferred inflows of resources	715,878	-	-	-	184,617	-	-	3,761,129
Total liabilities and deferred inflows of resources	715,878	-	-	-	244,437	248,445	-	6,563,729
Fund Balances								
Nonspendable:								
Prepays	-	-	-	-	-	-	-	4,008
Restricted for:								
General government	-	-	-	-	-	2,450,292	-	2,450,292
Transportation and parking	-	-	-	-	-	45,049	9,995,270	22,680,435
Public safety	-	-	-	-	-	16,549	-	2,124,495
Community planning and engineering	-	-	-	-	-	456,166	-	520,422
Parks and recreation	-	-	-	-	-	-	4,841,845	4,841,845
Water and wastewater	-	-	-	-	-	-	-	9,826,559
Debt service	605,703	365,276	135,912	2,796,373	-	-	-	3,903,264
Committed to:								
General government	-	-	-	-	-	-	-	112,763
Assigned to:								
Transportation and parking	-	-	-	-	-	-	-	2,503,490
Unassigned fund balances	-	-	-	-	(59,820)	-	-	(59,820)
Total fund balance	605,703	365,276	135,912	2,796,373	(59,820)	2,968,056	14,837,115	48,907,753
Total liabilities, deferred inflows of resources and fund balances	\$ 1,321,581	\$ 365,276	\$ 135,912	\$ 2,796,373	\$ 184,617	\$ 3,216,501	\$ 14,837,115	\$ 55,471,482

City of Fayetteville, Arkansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds								
	Street	Parking	Residential District Parking	Community Development	Impact Fee	Drug Law Enforcement	Special Grants	American Rescue Plan Act	Police & Fire Pension Revenue
Revenues:									
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 954,628
Impact fees	-	-	-	-	3,267,731	-	-	-	-
Intergovernmental	9,615,674	-	-	1,057,511	-	701,399	84,082	2,829,479	336,552
Charges for services	150,661	1,839,054	27,778	-	-	-	-	-	-
Fines and forfeitures	-	391,587	17,065	-	-	15,711	-	-	-
Investment earnings	328,653	87,573	2,134	-	401,194	-	-	51,353	-
Net change in fair value of investments	138,681	28,715	527	-	178,325	-	-	-	-
Contributions	-	-	-	8,830	-	-	-	-	-
Other	76,180	(4,005)	-	458	-	493	-	-	-
Total revenues	10,309,849	2,342,924	47,504	1,066,799	3,847,250	717,603	84,082	2,880,832	1,291,180
Expenditures:									
General government	-	-	-	-	-	-	-	2,872,048	-
Public Safety	-	-	-	-	98,051	889,593	106,000	-	1,291,180
Community planning and engineering	-	-	-	1,068,288	-	-	-	-	-
Transportation and parking	8,546,643	1,612,025	6,675	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-
Capital outlay	400,196	125,518	-	-	1,650,355	16,700	-	-	-
Total expenditures	8,946,839	1,737,543	6,675	1,068,288	1,748,406	906,293	106,000	2,872,048	1,291,180
Excess (deficiency) of revenues over (under) expenditures	1,363,010	605,381	40,829	(1,489)	2,098,844	(188,690)	(21,918)	8,784	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	230,040	21,918	-	-
Transfers out	(114,626)	(368,675)	-	-	(4,054,000)	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(114,626)	(368,675)	-	-	(4,054,000)	230,040	21,918	-	-
Net change in fund balances	1,248,384	236,706	40,829	(1,489)	(1,955,156)	41,350	-	8,784	-
Fund balances, beginning of year, as previously reported	11,391,865	2,168,946	57,412	65,745	13,133,139	285,323	-	-	-
Changes within financial reporting entity: Change from major fund to nonmajor fund	-	-	-	-	-	-	-	103,979	-
Fund balances, beginning of year, as adjusted or restated	11,391,865	2,168,946	57,412	65,745	13,133,139	285,323	-	103,979	-
Fund balances, end of year	\$ 12,640,249	\$ 2,405,652	\$ 98,241	\$ 64,256	\$ 11,177,983	\$ 326,673	\$ -	\$ 112,763	\$ -

City of Fayetteville, Arkansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Special Revenue Funds		Debt Service Funds				Capital Project Funds			Total Nonmajor Governmental Funds
	Fire Pension Special	TIF Bond	Parking Deck Bond	HMR Bond	Library Bond 2017	Bond Program Grant Matching	Sales Tax 2019 Construction	Sales Tax 2024 Construction		
Revenues:										
Property tax	\$ 1,010,677	\$ 627,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,592,414	
Impact fees	-	-	-	-	-	-	-	-	3,267,731	
Intergovernmental	274,110	-	-	-	-	1,184,638	-	-	16,083,445	
Charges for services	-	-	-	-	-	-	-	-	2,017,493	
Fines and forfeitures	-	-	-	-	-	-	-	-	424,363	
Investment earnings	5,665	10,954	17,399	13,787	65,084	-	234,253	132,696	1,350,745	
Net change in fair value of investments	-	-	-	-	-	-	218	-	346,466	
Contributions	-	-	-	697,800	2,853,191	5,914	-	-	3,565,735	
Other	-	-	-	-	-	-	-	-	73,126	
Total revenues	1,290,452	638,063	17,399	711,587	2,918,275	1,190,552	234,471	132,696	29,721,518	
Expenditures:										
General government	-	-	-	-	-	-	1,400	-	2,873,448	
Public Safety	857,131	-	-	-	-	-	174,415	-	3,416,370	
Community planning and engineering	-	-	-	-	-	-	600	-	1,068,888	
Transportation and parking	-	-	-	-	-	-	2,390	-	10,167,733	
Parks and recreation	-	-	-	-	-	-	1,400	-	1,400	
Debt Service	-	591,634	380,558	706,788	2,929,266	-	-	-	4,608,246	
Bond issue costs	-	-	-	-	-	-	-	237,080	237,080	
Capital outlay	-	-	-	-	-	344,059	4,376,128	-	6,912,956	
Total expenditures	857,131	591,634	380,558	706,788	2,929,266	344,059	4,556,333	237,080	29,286,121	
Excess (deficiency) of revenues over (under) expenditures	433,321	46,429	(363,159)	4,799	(10,991)	846,493	(4,321,862)	(104,384)	435,397	
Other financing sources (uses):										
Transfers in	-	-	368,675	-	-	-	-	-	620,633	
Transfers out	-	-	-	-	-	-	(12,985)	-	(4,550,286)	
Issuance of debt	-	-	-	-	-	-	-	14,941,499	14,941,499	
Total other financing sources (uses)	-	-	368,675	-	-	-	(12,985)	14,941,499	11,011,846	
Net change in fund balances	433,321	46,429	5,516	4,799	(10,991)	846,493	(4,334,847)	14,837,115	11,447,243	
Fund balances, beginning of year, as previously reported	-	559,274	359,760	131,113	2,807,364	(906,313)	-	-	30,053,628	
Changes within financial reporting entity:										
Change from major fund to nonmajor fund	-	-	-	-	-	-	7,302,903	-	7,406,882	
Fund balances, beginning of year, as adjusted or restated	-	559,274	359,760	131,113	2,807,364	(906,313)	7,302,903	-	37,460,510	
Fund balances, end of year	\$ 433,321	\$ 605,703	\$ 365,276	\$ 135,912	\$ 2,796,373	\$ (59,820)	\$ 2,968,056	\$ 14,837,115	\$ 48,907,753	

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Street Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,022,000	\$ 10,022,000	\$ 9,615,674	\$ (406,326)
Charges for services	52,000	52,000	150,661	98,661
Investment earnings	180,000	180,000	328,653	148,653
Net change in fair value of investments	-	-	138,681	138,681
Other	90,000	90,000	76,180	(13,820)
Total revenues	<u>10,344,000</u>	<u>10,344,000</u>	<u>10,309,849</u>	<u>(34,151)</u>
Expenditures:				
Transportation and parking	10,133,500	10,691,948	8,546,643	2,145,305
Capital outlay	210,500	2,147,954	400,196	1,747,758
Total expenditures	<u>10,344,000</u>	<u>12,839,902</u>	<u>8,946,839</u>	<u>3,893,063</u>
Excess of revenues over expenditures	<u>-</u>	<u>(2,495,902)</u>	<u>1,363,010</u>	<u>3,858,912</u>
Other financing sources (uses):				
Transfers out	-	(114,626)	(114,626)	-
Total other financing sources (uses)	<u>-</u>	<u>(114,626)</u>	<u>(114,626)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(2,610,528)</u>	<u>1,248,384</u>	<u>3,858,912</u>
Fund balances, beginning of year	<u>11,391,865</u>	<u>11,391,865</u>	<u>11,391,865</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,391,865</u>	<u>\$ 8,781,337</u>	<u>\$ 12,640,249</u>	<u>\$ 3,858,912</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Parking Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 2,117,000	\$ 2,184,000	\$ 1,839,054	\$ (344,946)
Fines and forfeitures	255,000	255,000	391,587	136,587
Investment earnings	31,000	31,000	87,573	56,573
Net change in fair value of investments	-	-	28,715	28,715
Other	1,000	1,000	(4,005)	(5,005)
Total revenues	<u>2,404,000</u>	<u>2,471,000</u>	<u>2,342,924</u>	<u>(128,076)</u>
Expenditures:				
Transportation and parking	1,718,800	1,944,940	1,612,025	332,915
Capital outlay	80,200	403,380	125,518	277,862
Total expenditures	<u>1,799,000</u>	<u>2,348,320</u>	<u>1,737,543</u>	<u>610,777</u>
Excess of revenues over expenditures	<u>605,000</u>	<u>122,680</u>	<u>605,381</u>	<u>482,701</u>
Other financing sources (uses):				
Transfers out	(384,000)	(384,000)	(368,675)	15,325
Total other financing sources (uses)	<u>(384,000)</u>	<u>(384,000)</u>	<u>(368,675)</u>	<u>15,325</u>
Net change in fund balances	<u>221,000</u>	<u>(261,320)</u>	<u>236,706</u>	<u>498,026</u>
Fund balances, beginning of year	<u>2,168,946</u>	<u>2,168,946</u>	<u>2,168,946</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,389,946</u>	<u>\$ 1,907,626</u>	<u>\$ 2,405,652</u>	<u>\$ 498,026</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Residential District Parking Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 23,500	\$ 24,700	\$ 27,778	\$ 3,078
Fines and forfeitures	12,500	12,500	17,065	4,565
Investment earnings	-	-	2,134	2,134
Net change in fair value of investments	-	-	527	527
Total revenues	<u>36,000</u>	<u>37,200</u>	<u>47,504</u>	<u>10,304</u>
Expenditures:				
Transportation and parking	<u>11,000</u>	<u>12,200</u>	<u>6,675</u>	<u>5,525</u>
Total expenditures	<u>11,000</u>	<u>12,200</u>	<u>6,675</u>	<u>5,525</u>
Net change in fund balances	<u>25,000</u>	<u>25,000</u>	<u>40,829</u>	<u>15,829</u>
Fund balances, beginning of year	<u>57,412</u>	<u>57,412</u>	<u>57,412</u>	<u>-</u>
Fund balances, end of year	<u>\$ 82,412</u>	<u>\$ 82,412</u>	<u>\$ 98,241</u>	<u>\$ 15,829</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Community Development Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,619,000	\$ 4,166,953	\$ 1,057,511	\$ (3,109,442)
Contributions	20,000	19,543	8,830	(10,713)
Other	-	457	458	1
	<u>1,639,000</u>	<u>4,186,953</u>	<u>1,066,799</u>	<u>(3,120,154)</u>
Total revenues				
Expenditures:				
Community planning and engineering	1,624,555	4,444,387	1,068,288	3,376,099
Capital outlay	14,445	28,374	-	28,374
	<u>1,639,000</u>	<u>4,472,761</u>	<u>1,068,288</u>	<u>3,404,473</u>
Total expenditures				
Excess of revenues over expenditures	<u>-</u>	<u>(285,808)</u>	<u>(1,489)</u>	<u>284,319</u>
Other financing sources (uses):				
Transfers in	-	237,358	-	(237,358)
	<u>-</u>	<u>237,358</u>	<u>-</u>	<u>(237,358)</u>
Total other financing sources (uses)				
Net change in fund balances	<u>-</u>	<u>(48,450)</u>	<u>(1,489)</u>	<u>46,961</u>
Fund balances, beginning of year	<u>65,745</u>	<u>65,745</u>	<u>65,745</u>	<u>-</u>
Fund balances, end of year	<u>\$ 65,745</u>	<u>\$ 17,295</u>	<u>\$ 64,256</u>	<u>\$ 46,961</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Impact Fee Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 3,155,000	\$ 3,155,000	\$ 3,267,731	\$ 112,731
Investment earnings	168,000	168,000	401,194	233,194
Net change in fair value of investments	-	-	178,325	178,325
Total revenues	<u>3,323,000</u>	<u>3,323,000</u>	<u>3,847,250</u>	<u>524,250</u>
Expenditures:				
Public safety	-	126,316	98,051	28,265
Capital outlay	1,943,000	2,601,677	1,650,355	951,322
Total expenditures	<u>1,943,000</u>	<u>2,727,993</u>	<u>1,748,406</u>	<u>979,587</u>
Excess of revenues over expenditures	<u>1,380,000</u>	<u>595,007</u>	<u>2,098,844</u>	<u>1,503,837</u>
Other financing sources (uses):				
Transfers out	-	(7,606,537)	(4,054,000)	3,552,537
Total other financing sources (uses)	<u>-</u>	<u>(7,606,537)</u>	<u>(4,054,000)</u>	<u>3,552,537</u>
Net change in fund balances	<u>1,380,000</u>	<u>(7,011,530)</u>	<u>(1,955,156)</u>	<u>5,056,374</u>
Fund balances, beginning of year	<u>13,133,139</u>	<u>13,133,139</u>	<u>13,133,139</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,513,139</u>	<u>\$ 6,121,609</u>	<u>\$ 11,177,983</u>	<u>\$ 5,056,374</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Drug Law Enforcement Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 404,619	\$ 1,080,086	\$ 701,399	\$ (378,687)
Fines and forfeitures	-	120,953	15,711	(105,242)
Other	871	871	493	(378)
	<u>405,490</u>	<u>1,201,910</u>	<u>717,603</u>	<u>(484,307)</u>
Expenditures:				
Public safety	806,600	1,215,727	889,593	326,134
Capital outlay	8,400	133,300	16,700	116,600
	<u>815,000</u>	<u>1,349,027</u>	<u>906,293</u>	<u>442,734</u>
Excess of revenues over expenditures	<u>(409,510)</u>	<u>(147,117)</u>	<u>(188,690)</u>	<u>(41,573)</u>
Other financing sources (uses):				
Transfers in	<u>383,510</u>	<u>383,510</u>	<u>230,040</u>	<u>(153,470)</u>
Total other financing sources (uses)	<u>383,510</u>	<u>383,510</u>	<u>230,040</u>	<u>(153,470)</u>
Net change in fund balances	<u>(26,000)</u>	<u>236,393</u>	<u>41,350</u>	<u>(195,043)</u>
Fund balances, beginning of year	<u>285,323</u>	<u>285,323</u>	<u>285,323</u>	<u>-</u>
Fund balances, end of year	<u>\$ 259,323</u>	<u>\$ 521,716</u>	<u>\$ 326,673</u>	<u>\$ (195,043)</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Grants Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 84,082	\$ 84,082	\$ -
Total revenues	-	84,082	84,082	-
Expenditures:				
Public safety	-	106,364	106,000	364
Total expenditures	-	106,364	106,000	364
Excess of revenues over expenditures	-	(22,282)	(21,918)	364
Other financing sources (uses):				
Transfers in	-	22,282	21,918	(364)
Total other financing sources (uses)	-	22,282	21,918	(364)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
American Rescue Plan Act Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 4,601,013	\$ 2,829,479	\$ (1,771,534)
Investment earnings	-	145,722	51,353	(94,369)
Total revenues	-	4,746,735	2,880,832	(1,865,903)
Expenditures:				
Disaster Recovery and Replacement	-	4,746,736	2,872,048	1,874,688
Total expenditures	-	4,746,736	2,872,048	1,874,688
Net change in fund balances	-	(1)	8,784	8,785
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 8,784</u>	<u>\$ 8,785</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Police & Fire Pension Revenue Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property tax	\$ -	\$ -	\$ 954,628	\$ 954,628
Intergovernmental	-	-	336,552	336,552
Total revenues	-	-	1,291,180	1,291,180
Expenditures:				
Public safety	-	-	1,291,180	(1,291,180)
Total expenditures	-	-	1,291,180	(1,291,180)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Fire Pension Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property tax	\$ -	\$ 969,000	\$ 1,010,677	\$ 41,677
Intergovernmental	-	476,000	274,110	(201,890)
Investment earnings	-	-	5,665	5,665
Total revenues	-	1,445,000	1,290,452	(154,548)
Expenditures:				
Public safety	-	1,445,000	857,131	587,869
Total expenditures	-	1,445,000	857,131	587,869
Net change in fund balances	-	-	433,321	433,321
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 433,321	\$ 433,321

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
TIF Bond Debt Service Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property tax	\$ 519,000	\$ 519,000	\$ 627,109	\$ 108,109
Investment earnings	8,000	8,000	10,954	2,954
Total revenues	<u>527,000</u>	<u>527,000</u>	<u>638,063</u>	<u>111,063</u>
Expenditures:				
Disaster Recovery and Replacement	7,000	7,000	4,050	2,950
Debt service	520,000	615,694	587,584	28,110
Total expenditures	<u>527,000</u>	<u>622,694</u>	<u>591,634</u>	<u>31,060</u>
Net change in fund balances	<u>-</u>	<u>(95,694)</u>	<u>46,429</u>	<u>142,123</u>
Fund balances, beginning of year	<u>559,274</u>	<u>559,274</u>	<u>559,274</u>	<u>-</u>
Fund balances, end of year	<u>\$ 559,274</u>	<u>\$ 463,580</u>	<u>\$ 605,703</u>	<u>\$ 142,123</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Parking Deck Bond Debt Service Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 17,399	\$ 17,399
Total revenues	-	-	17,399	17,399
Expenditures:				
Debt service	384,000	384,000	380,558	3,442
Total expenditures	384,000	384,000	380,558	3,442
Excess of revenues over expenditures	(384,000)	(384,000)	(363,159)	20,841
Other financing sources (uses):				
Transfers in	384,000	384,000	368,675	(15,325)
Total other financing sources (uses)	384,000	384,000	368,675	(15,325)
Net change in fund balances	-	-	5,516	5,516
Fund balances, beginning of year	359,760	359,760	359,760	-
Fund balances, end of year	<u>\$ 359,760</u>	<u>\$ 359,760</u>	<u>\$ 365,276</u>	<u>\$ 5,516</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
HMR Bond Debt Service Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 13,787	\$ 13,787
Contributions	707,000	707,000	697,800	(9,200)
Total revenues	<u>707,000</u>	<u>707,000</u>	<u>711,587</u>	<u>4,587</u>
Expenditures:				
Debt service	707,000	707,000	706,788	212
Total expenditures	<u>707,000</u>	<u>707,000</u>	<u>706,788</u>	<u>212</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>4,799</u>	<u>4,799</u>
Fund balances, beginning of year	<u>131,113</u>	<u>131,113</u>	<u>131,113</u>	<u>-</u>
Fund balances, end of year	<u>\$ 131,113</u>	<u>\$ 131,113</u>	<u>\$ 135,912</u>	<u>\$ 4,799</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Library Bond 2017 Debt Service Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 65,084	\$ 65,084
Contributions	2,809,000	2,809,000	2,853,191	44,191
Total revenues	<u>2,809,000</u>	<u>2,809,000</u>	<u>2,918,275</u>	<u>109,275</u>
Expenditures:				
Debt service	2,809,000	3,067,106	2,929,266	137,840
Total expenditures	<u>2,809,000</u>	<u>3,067,106</u>	<u>2,929,266</u>	<u>137,840</u>
Net change in fund balances	<u>-</u>	<u>(258,106)</u>	<u>(10,991)</u>	<u>247,115</u>
Fund balances, beginning of year	<u>2,807,364</u>	<u>2,807,364</u>	<u>2,807,364</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,807,364</u>	<u>\$ 2,549,258</u>	<u>\$ 2,796,373</u>	<u>\$ 247,115</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Bond Program Grant Matching Capital Project Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 9,767,212	\$ 1,184,638	\$ (8,582,574)
Charges for services	-	81,600	-	(81,600)
Contributions	-	21,622	5,914	(15,708)
	<u>-</u>	<u>9,870,434</u>	<u>1,190,552</u>	<u>(8,679,882)</u>
Total revenues				
Expenditures:				
Capital outlay	-	8,964,124	344,059	8,620,065
	<u>-</u>	<u>8,964,124</u>	<u>344,059</u>	<u>8,620,065</u>
Total expenditures				
Net change in fund balances	-	906,310	846,493	(59,817)
Fund balances, beginning of year	(906,313)	(906,313)	(906,313)	-
Fund balances, end of year	<u>\$ (906,313)</u>	<u>\$ (3)</u>	<u>\$ (59,820)</u>	<u>\$ (59,817)</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Sales Tax 2019 Construction Special Revenue Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ 386,371	\$ 234,253	\$ (152,118)
Net change in fair value of investments	-	-	218	218
Total revenues	-	386,371	234,471	(151,900)
Expenditures:				
Disaster Recovery and Replacement	-	1,400	1,400	-
Transportation and parking	-	2,390	2,390	-
Public safety	-	174,956	174,415	541
Community planning and engineering	-	600	600	-
Park and recreation	-	1,400	1,400	-
Capital outlay	-	7,127,263	4,376,128	2,751,135
Total expenditures	-	7,308,009	4,556,333	2,751,676
Excess of revenues over expenditures	-	(6,921,638)	(4,321,862)	2,599,776
Other financing sources (uses):				
Transfers out	-	(12,989)	(12,985)	4
Total other financing sources (uses)	-	(12,989)	(12,985)	4
Net change in fund balances	-	(6,934,627)	(4,334,847)	2,599,780
Fund balances, beginning of year	19,466,001	19,466,001	19,466,001	-
Fund balances, end of year	<u>\$ 19,466,001</u>	<u>\$ 12,531,374</u>	<u>\$ 15,131,154</u>	<u>\$ 2,599,780</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Sales Tax 2024 Construction Special Revenue Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 132,696	\$ 132,696
Total revenues	-	-	132,696	132,696
Expenditures:				
Bond issue costs	-	237,081	237,080	1
Capital outlay	-	14,704,418	-	14,704,418
Total expenditures	-	14,941,499	237,080	14,704,419
Excess of revenues over expenditures	-	(14,941,499)	(104,384)	14,837,115
Other financing sources (uses):				
Issuance of debt	-	14,941,499	14,941,499	-
Total other financing sources (uses)	-	14,941,499	14,941,499	-
Net change in fund balances	-	-	14,837,115	14,837,115
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 14,837,115	\$ 14,837,115

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Sales Tax Improvement Bond Debt Service Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales and alcoholic beverage tax	\$ 34,555,000	\$ 34,555,000	\$ 32,365,993	\$ (2,189,007)
Investment earnings	-	-	573,721	573,721
Total revenues	<u>34,555,000</u>	<u>34,555,000</u>	<u>32,939,714</u>	<u>(1,615,286)</u>
Expenditures:				
Debt Service	<u>34,555,000</u>	<u>34,555,000</u>	<u>32,994,580</u>	<u>1,560,420</u>
Total expenditures	<u>34,555,000</u>	<u>34,555,000</u>	<u>32,994,580</u>	<u>1,560,420</u>
Excess of revenues over expenditures	-	-	<u>(54,866)</u>	<u>(54,866)</u>
Other financing sources (uses):				
Transfers in	-	-	12,985	12,985
Total other financing sources (uses)	-	-	<u>12,985</u>	<u>12,985</u>
Net change in fund balances	-	-	<u>(41,881)</u>	<u>(41,881)</u>
Fund balances, beginning of year	<u>9,800,883</u>	<u>9,800,883</u>	<u>9,800,883</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,800,883</u>	<u>\$ 9,800,883</u>	<u>\$ 9,759,002</u>	<u>\$ (41,881)</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Sales Tax Improvement Capital Projects Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales and alcoholic beverage tax	\$ 13,822,000	\$ 13,822,000	\$ 12,946,397	\$ (875,603)
Intergovernmental	-	3,202,421	44,000	(3,158,421)
Charges for services	-	101,992	175,573	73,581
Investment earnings	226,000	226,000	487,228	261,228
Net change in fair value of investments	-	-	197,638	197,638
Other	13,000	13,000	50,457	37,457
Total revenues	<u>14,061,000</u>	<u>17,365,413</u>	<u>13,901,293</u>	<u>(3,464,120)</u>
Expenditures:				
General government	806,000	806,000	1,975,456	(1,169,456)
Finance and internal services	528,000	1,305,871	569,243	736,628
Public Safety	1,436,000	2,802,966	1,622,971	1,179,995
Community planning and engineering	50,000	701,627	112,481	589,146
Transportation and parking	2,150,000	4,369,435	1,510,752	2,858,683
Parks and recreation	980,000	2,266,759	514,012	1,752,747
Capital outlay	7,029,000	19,289,460	7,845,205	11,444,255
Total expenditures	<u>12,979,000</u>	<u>31,542,118</u>	<u>14,150,120</u>	<u>17,391,998</u>
Excess of revenues over expenditures	<u>1,082,000</u>	<u>(14,176,705)</u>	<u>(248,827)</u>	<u>13,927,878</u>
Other financing sources (uses):				
Transfers out	<u>(1,082,000)</u>	<u>(1,203,447)</u>	<u>(1,172,288)</u>	<u>31,159</u>
Total other financing sources (uses)	<u>(1,082,000)</u>	<u>(1,203,447)</u>	<u>(1,172,288)</u>	<u>31,159</u>
Net change in fund balances	<u>-</u>	<u>(15,380,152)</u>	<u>(1,421,115)</u>	<u>13,959,037</u>
Fund balances, beginning of year	<u>18,095,343</u>	<u>18,095,343</u>	<u>18,095,343</u>	<u>-</u>
Fund balances, end of year	<u>\$ 18,095,343</u>	<u>\$ 2,715,191</u>	<u>\$ 16,674,228</u>	<u>\$ 13,959,037</u>

City of Fayetteville, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Sales Tax 2022 Construction Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ 1,348,743	\$ 2,640,500	\$ 1,291,757
Total revenues	-	1,348,743	2,640,500	1,291,757
Expenditures:				
Public Safety	-	70,000	68,793	1,207
Transportation and parking	-	1,536,043	1,171,333	364,710
Bond issue costs	-	(1,606,043)	3,725	(1,609,768)
Capital outlay	-	62,617,959	34,317,313	28,300,646
Total expenditures	-	62,617,959	35,561,164	27,056,795
Net change in fund balances	-	(61,269,216)	(32,920,664)	28,348,552
Fund balances, beginning of year	66,760,239	66,760,239	66,760,239	-
Fund balances, end of year	\$ 66,760,239	\$ 5,491,023	\$ 33,839,575	\$ 28,348,552

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others, and therefore cannot be used to support the government's own programs.

POLICEMEN'S PENSION AND RELIEF FUND - This fund is used to account for the accumulation of resources for the pension benefit payments to qualified police personnel.

CLIMATE RELOCATION TRUST FUND - This fund is used to account for the donations of funds to be used to address a long-term potential rise in migration and refugee resettlement services due to climate change and war.

City of Fayetteville, Arkansas
Combining Schedule of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Pension Trust Funds	Private Purpose Trust Fund
	Policemen's Pension and Relief	Climate Relocation Fund
Assets		
Cash	\$ 483,761	\$ 103,204
Investments, at fair value:		
Investment cash equivalents	616,322	-
Governmental securities	149,695	-
Corporate bonds	1,109,265	-
Corporate stock	4,287,772	-
Receivables:		
Accrued interest	16,538	-
Due from primary government	11,705	-
Due from other government	61,634	-
Total assets	6,736,692	103,204
Liabilities		
Unearned revenue	9,300	-
Total liabilities	9,300	-
Net Position		
Net position restricted for climate change	-	103,204
Net position restricted for pensions	6,727,392	-
Total net position	\$ 6,727,392	\$ 103,204

City of Fayetteville, Arkansas
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Pension Trust Funds	Private Purpose Trust Fund
	Policemen's Pension and Relief	Climate Relocation Fund
Additions		
Contributions:		
City contributions	\$ 126,748	\$ -
Property taxes contributed from police and fire pension revenue fund	959,183	-
State insurance taxes contributed from police and fire pension revenue fund	326,152	-
Total contributions	1,412,083	-
Investment earnings:		
Interest	152,009	1,794
Net increase/(decrease) in fair value of investments	345,094	-
Gain/(loss) on sale of investments	117,153	-
Investment fees	(29,342)	-
Other	13,263	-
Net investment earnings	598,177	1,794
Total additions	2,010,260	1,794
Deductions		
Contractual services	3,520	-
Benefit payments	1,394,006	-
Total deductions	1,397,526	-
Change in net position	612,734	1,794
Net position, beginning of year	6,114,658	101,410
Net position, end of year	\$ 6,727,392	\$ 103,204

STATISTICAL SECTION

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

Contents	Page
Financial Trends	113
<p>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	
Revenue Capacity	119
<p>These schedules contain information to help the reader assess the government's most significant local revenue sources, sales taxes, and property taxes.</p>	
Debt Capacity	124
<p>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	128
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
Operating Information	130
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</p>	

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

	<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										
Net investment in capital assets	\$ 425,939,639	\$ 390,302,251	\$ 358,330,624	\$ 325,278,714	\$ 304,325,789	\$ 276,326,757	\$ 249,277,073	\$ 224,757,141	\$ 202,704,580	\$ 178,573,420
Restricted	51,802,474	41,098,424	32,569,564	30,399,178	31,099,091	42,841,266	28,861,495	30,551,318	24,162,156	27,536,290
Unrestricted	<u>26,584,901</u>	<u>32,397,875</u>	<u>26,960,230</u>	<u>13,519,714</u>	<u>(5,238,168)</u>	<u>(9,696,249)</u>	<u>(566,754)</u>	<u>(3,570,422)</u>	<u>(6,720,035)</u>	<u>(10,153,256)</u>
Total governmental activities net position	<u>\$ 504,327,014</u>	<u>\$ 463,798,550</u>	<u>\$ 417,860,418</u>	<u>\$ 369,197,606</u>	<u>\$ 330,186,712</u>	<u>\$ 309,471,774</u>	<u>\$ 277,571,814</u>	<u>\$ 251,738,037</u>	<u>\$ 220,146,701</u>	<u>\$ 195,956,454</u>
Business-type activities										
Net investment in capital assets	\$ 382,576,487	\$ 373,797,206	\$ 355,631,842	\$ 337,069,403	\$ 332,026,189	\$ 326,135,992	\$ 321,093,446	\$ 322,568,479	\$ 319,482,273	\$ 314,261,925
Restricted	-	-	-	-	-	-	1,495,737	1,464,504	1,279,817	1,415,735
Unrestricted	<u>62,213,301</u>	<u>61,715,267</u>	<u>69,890,451</u>	<u>68,167,345</u>	<u>64,529,995</u>	<u>66,765,729</u>	<u>62,824,044</u>	<u>56,992,480</u>	<u>48,899,930</u>	<u>49,657,066</u>
Total business-type activities net position	<u>\$ 444,789,788</u>	<u>\$ 435,512,473</u>	<u>\$ 425,522,293</u>	<u>\$ 405,236,748</u>	<u>\$ 396,556,184</u>	<u>\$ 392,901,721</u>	<u>\$ 385,413,227</u>	<u>\$ 381,025,463</u>	<u>\$ 369,662,020</u>	<u>\$ 365,334,726</u>
Primary government										
Net investment in capital assets	\$ 808,516,126	\$ 764,099,457	\$ 713,962,466	\$ 662,348,117	\$ 636,351,978	\$ 602,462,749	\$ 570,370,519	\$ 547,325,620	\$ 522,186,853	\$ 492,835,345
Restricted	51,802,474	41,098,424	32,569,564	30,399,178	31,099,091	42,841,266	30,357,232	32,015,822	25,441,973	28,952,025
Unrestricted	<u>88,798,202</u>	<u>94,113,142</u>	<u>96,850,681</u>	<u>81,687,059</u>	<u>59,291,827</u>	<u>57,069,480</u>	<u>62,257,290</u>	<u>53,422,058</u>	<u>42,179,895</u>	<u>39,503,810</u>
Total primary government net position	<u>\$ 949,116,802</u>	<u>\$ 899,311,023</u>	<u>\$ 843,382,711</u>	<u>\$ 774,434,354</u>	<u>\$ 726,742,896</u>	<u>\$ 702,373,495</u>	<u>\$ 662,985,041</u>	<u>\$ 632,763,500</u>	<u>\$ 589,808,721</u>	<u>\$ 561,291,180</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities										
General government	\$ 19,469,004	\$ 21,550,221	\$ 13,254,537	\$ 11,721,883	\$ 12,937,966	\$ 11,179,163	\$ 12,147,370	\$ 9,033,657	\$ 8,612,988	\$ 7,197,057
Finance and internal services	7,914,762	7,155,478	7,383,374	5,885,591	5,858,160	5,342,612	5,804,326	4,920,484	4,599,782	4,227,780
Library	-	-	-	-	-	-	-	359,615	-	-
Public safety (Police and Fire)	43,350,798	50,253,039	36,701,466	34,246,906	42,996,295	37,341,682	36,994,053	31,357,096	29,798,032	28,665,638
Community planning and engineering	6,936,551	6,673,183	5,963,272	5,460,484	5,387,566	5,256,896	5,287,559	5,032,617	4,489,769	4,160,474
Transportation and parking	27,132,660	24,237,495	22,656,015	20,571,035	18,028,580	19,364,914	19,258,528	18,288,066	18,072,982	17,079,801
Parks and recreation	12,159,121	11,067,086	9,989,235	7,258,998	6,403,460	6,552,715	6,467,241	5,652,753	4,702,279	4,637,338
Bond issuance costs	240,805	-	-	-	-	-	-	-	-	-
Interest on long-term debt	4,929,169	5,175,076	4,840,026	4,254,184	5,434,695	3,692,700	3,051,150	2,969,246	3,604,116	4,314,569
Total governmental activities expenses	122,132,870	126,111,578	100,787,925	89,399,081	97,046,722	88,730,682	89,010,227	77,613,534	73,879,948	70,282,657
Business-type activities										
Airport	5,074,577	5,034,672	5,105,544	4,000,185	2,965,312	3,176,583	3,643,457	3,154,149	2,746,971	2,853,968
Town center	-	-	-	-	-	-	-	-	-	-
Recycling and trash	17,182,357	14,565,235	14,392,658	13,686,896	12,875,856	12,454,484	11,892,135	11,451,442	10,807,791	10,856,209
Water and sewer	58,993,738	53,877,862	50,733,505	48,000,862	45,602,469	43,071,616	41,415,751	39,004,863	38,421,850	36,992,190
Total business-type activities expenses	81,250,672	73,477,769	70,231,707	65,687,943	61,443,637	58,702,683	56,951,343	53,610,454	51,976,612	50,702,367
Total primary government expenses	\$ 203,383,542	\$ 199,589,347	\$ 171,019,632	\$ 155,087,024	\$ 158,490,359	\$ 147,433,365	\$ 145,961,570	\$ 131,223,988	\$ 125,856,560	\$ 120,985,024
Program revenues										
Governmental activities:										
General government	\$ 1,742,172	\$ 739,083	\$ 741,749	\$ 639,849	\$ 1,996,446	\$ 949,270	\$ 957,038	\$ 1,068,204	\$ 1,076,402	\$ 1,912,417
Finance and internal services	603,539	565,753	522,780	471,344	371,095	455,293	422,489	422,690	393,691	354,751
Public safety (Police and Fire)	2,451,887	2,703,474	2,626,379	2,251,592	1,138,166	1,681,443	1,816,856	1,690,395	1,665,508	1,688,431
Community planning and engineering	3,359,060	2,683,032	2,661,081	2,227,418	2,697,845	1,958,282	2,194,041	1,545,585	1,965,945	1,416,470
Transportation and parking	3,571,862	3,381,918	2,365,984	1,804,203	1,930,254	2,140,703	2,063,229	2,215,965	2,020,933	2,039,122
Parks and recreation	2,220,192	1,697,121	970,319	953,606	292,400	1,456,801	787,321	665,436	843,499	918,533
Water and wastewater	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	22,191,878	20,106,806	19,255,385	18,756,813	18,074,555	14,291,010	14,172,817	12,221,814	11,592,880	11,348,934
Capital grants and contributions	6,664,565	10,814,101	12,367,475	9,340,539	7,207,868	14,144,554	11,336,471	13,770,212	6,296,123	6,129,861
Total governmental activities	42,805,155	42,691,288	41,511,152	36,445,364	33,708,629	37,077,356	33,750,262	33,600,301	25,854,981	25,808,519
Business-type activities										
Airport	3,845,495	3,646,012	4,347,964	3,272,476	1,796,500	2,415,273	2,631,239	2,149,242	1,856,926	1,849,957
Recycling and trash	16,352,306	15,040,664	14,542,105	13,605,496	12,777,732	12,754,415	11,911,377	11,729,340	11,129,671	10,632,679
Water and sewer	52,385,992	49,259,214	49,322,734	45,888,717	41,209,056	41,153,964	40,256,855	38,775,739	36,625,148	35,011,749
Operating grants and contributions	18,685	-	103,807	43,096	78,967	3,750	2,750	13,271	12	19,576
Capital grants and contributions	7,461,023	11,053,006	18,582,589	7,075,026	4,323,280	8,036,158	4,844,839	10,861,278	5,159,770	3,934,479
Total business-type activities	80,063,501	78,998,896	86,899,199	69,884,811	60,185,535	64,363,560	59,647,060	63,528,870	54,771,527	51,448,440
Total primary government program revenues	\$ 122,868,656	\$ 121,690,184	\$ 128,410,351	\$ 106,330,175	\$ 93,894,164	\$ 101,440,916	\$ 93,397,322	\$ 97,129,171	\$ 80,626,508	\$ 77,256,959
Net (expenses) revenues										
Governmental activities										
	\$ (79,327,715)	\$ (83,420,290)	\$ (59,276,773)	\$ (52,953,717)	\$ (63,338,093)	\$ (51,653,326)	\$ (55,259,965)	\$ (44,013,233)	\$ (48,024,967)	\$ (44,474,138)
Business-type activities										
	(1,187,171)	5,521,127	16,667,492	4,196,868	(1,258,102)	5,660,877	2,695,717	9,918,416	2,794,915	746,073
Total primary government net expense	\$ (80,514,886)	\$ (77,899,163)	\$ (42,609,281)	\$ (48,756,849)	\$ (64,596,195)	\$ (45,992,449)	\$ (52,564,248)	\$ (34,094,817)	\$ (45,230,052)	\$ (43,728,065)

City of Fayetteville, Arkansas
Changes in Net Position
Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 91,969,736	\$ 89,582,182	\$ 85,316,336	\$ 76,889,594	\$ 65,472,931	\$ 62,316,760	\$ 60,528,040	\$ 58,066,452	\$ 55,784,760	\$ 53,672,843
Franchise taxes	7,282,355	7,483,450	7,493,022	6,652,371	6,238,326	6,061,762	6,278,306	5,961,428	5,729,195	5,875,497
Hotel, motel, restaurant taxes	5,290,374	4,995,902	4,687,799	4,088,645	2,978,986	3,719,543	3,545,209	3,421,123	3,302,526	3,080,487
Impact fees	3,267,731	2,866,849	2,688,076	2,678,257	2,216,422	2,337,747	1,946,849	2,277,402	2,273,690	1,676,255
Property taxes	9,294,596	8,004,163	6,975,311	6,304,577	5,960,830	5,297,996	5,632,429	4,855,763	4,608,902	4,401,892
Intergovernmental	-	5,193,698	5,845,364	-	-	-	-	-	-	-
Investment earnings	8,799,766	9,830,820	(2,135,702)	(688,123)	1,289,633	3,102,384	1,836,643	759,941	359,499	186,546
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Other	435,055	1,228,976	115,315	54,445	2,826,063	36,127	76,812	142,126	33,642	331,874
Transfers	(6,483,434)	172,382	(3,045,906)	(4,015,155)	(2,930,160)	680,967	120,336	120,334	123,000	241,985
Capital contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>119,856,179</u>	<u>129,358,422</u>	<u>107,939,615</u>	<u>91,964,611</u>	<u>84,053,031</u>	<u>83,553,286</u>	<u>79,964,624</u>	<u>75,604,569</u>	<u>72,215,214</u>	<u>69,467,379</u>
Business-type activities:										
Sales and use taxes	108,909	86,408	106,752	63,400	32,908	47,798	55,433	43,507	31,061	29,237
Franchise fees	454,374	435,401	348,928	296,720	302,657	240,671	208,009	217,375	247,077	182,026
Investment earnings	1,881,512	3,109,099	(1,989,496)	(437,691)	646,219	1,336,879	817,000	381,468	264,070	148,755
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Other	1,536,257	1,010,527	2,105,963	546,112	1,000,621	883,236	731,941	923,011	1,113,171	516,203
Transfers	6,483,434	(172,382)	3,045,906	4,015,155	2,930,160	(680,967)	(120,336)	(120,334)	(123,000)	(241,985)
Total business-type activities	<u>10,464,486</u>	<u>4,469,053</u>	<u>3,618,053</u>	<u>4,483,696</u>	<u>4,912,565</u>	<u>1,827,617</u>	<u>1,692,047</u>	<u>1,445,027</u>	<u>1,532,379</u>	<u>634,236</u>
Total primary government	<u>\$ 130,320,665</u>	<u>\$ 133,827,475</u>	<u>\$ 111,557,668</u>	<u>\$ 96,448,307</u>	<u>\$ 88,965,596</u>	<u>\$ 85,380,903</u>	<u>\$ 81,656,671</u>	<u>\$ 77,049,596</u>	<u>\$ 73,747,593</u>	<u>\$ 70,101,615</u>
Change in net position										
Governmental activities	\$ 40,528,464	\$ 45,938,132	\$ 48,662,842	\$ 39,010,894	\$ 20,714,938	\$ 31,899,960	\$ 24,704,659	\$ 31,591,336	\$ 24,190,247	\$ 24,993,241
Business-type activities	<u>9,277,315</u>	<u>9,990,180</u>	<u>20,285,545</u>	<u>8,680,564</u>	<u>3,654,463</u>	<u>7,488,494</u>	<u>4,387,764</u>	<u>11,363,443</u>	<u>4,327,294</u>	<u>1,380,309</u>
Total primary government change in net position	<u>\$ 49,805,779</u>	<u>\$ 55,928,312</u>	<u>\$ 68,948,387</u>	<u>\$ 47,691,458</u>	<u>\$ 24,369,401</u>	<u>\$ 39,388,454</u>	<u>\$ 29,092,423</u>	<u>\$ 42,954,779</u>	<u>\$ 28,517,541</u>	<u>\$ 26,373,550</u>

City of Fayetteville, Arkansas
Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Nonspendable										
Prepays	\$ 141,791	\$ 298,729	\$ 195,594	\$ 173,764	\$ 209,837	\$ 203,375	\$ 205,250	\$ 197,126	\$ 173,542	\$ 140,124
Long term loans	-	32,334	67,864	83,393	138,923	134,453	109,983	125,512	141,042	156,572
Restricted for:										
Public safety	442,365	443,437	474,460	672,094	693,149	550,429	567,999	518,728	564,439	647,233
Community planning and engineering	116,448	130,133	127,942	117,007	79,741	56,598	91,594	83,237	126,753	69,784
Debt service	-	-	-	-	-	-	1,651,125	-	-	-
Park and recreation	67,845	62,493	59,807	59,805	24,433	55,440	48,865	55,739	60,621	34,556
Committed to:										
Transportation and parking	-	-	-	-	-	-	-	-	18	-
Economic development	-	-	-	-	-	-	-	202,500	-	66,970
Public safety	-	-	153,533	-	-	-	-	-	-	-
Community planning and engineering	258,177	256,387	19,656	-	-	-	31,828	-	-	-
General government	50,023	12,689	2,912,595	3,133,941	909,463	1,175,474	936,452	3,055,598	678,996	190,528
Park and recreation	-	-	-	-	-	-	469,064	-	-	-
Disaster recovery	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Finance and internal services	-	-	-	-	11,540	-	-	-	-	-
Assigned to:										
General government	50,364	5,095,114	5,131,312	8,779	129,762	518,525	505,621	6,118	131,576	96,975
Finance and internal services	218,938	268,831	232,539	192,501	255,066	179,767	126,120	95,811	29,044	153,901
Public safety	49,080	249,254	262,459	130,631	23,802	71,819	55,777	24,533	51,488	-
Community planning and engineering	99,014	16,142	7,200	149,613	18,558	6,095	34,763	13,890	-	-
Park and recreation	-	-	-	-	-	900	2,354	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	38,360,191	37,006,091	34,155,647	27,705,878	23,644,712	18,655,673	17,279,988	18,718,265	19,281,268	16,514,219
Total general fund	\$ 42,854,236	\$ 46,871,634	\$ 46,800,608	\$ 35,427,406	\$ 29,138,986	\$ 24,608,548	\$ 25,116,783	\$ 26,097,057	\$ 24,238,787	\$ 21,070,862

City of Fayetteville, Arkansas
Fund Balance, Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

All other governmental funds																				
Nonspendable																				
Prepays	\$	4,008	\$	5,690	\$	3,809	\$	67	\$	14,674	\$	10,741	\$	10,493	\$	12,769	\$	9,258	\$	4,297
Restricted for:																				
General government		3,689,231		12,025,166		17,440,883		15,071,402		21,468,465		23,290,179		-		20,920		85,447		1,601,637
Transportation and parking		40,525,360		43,834,059		54,324,016		28,368,481		34,378,576		41,134,729		8,330,691		14,882,883		18,544,172		28,043,973
Public safety		2,764,619		8,517,285		10,146,517		31,905,636		47,249,239		51,537,683		1,923,931		1,677,959		1,756,621		2,985,538
Sustainability		-		-		-		219,915		197,442		174,969		152,495		130,022		107,549		85,066
Community planning and engineering		7,669,445		7,771,492		9,413,654		5,278,469		6,522,470		7,963,727		17,995		50,262		228,749		210,279
Finance and internal services		2,264,264		2,906,557		2,782,040		32,839		486,265		507,242		-		382,022		435,140		472,651
Library		-		-		-		60,047		153,807		14,073,914		24,901,604		26,768,486		-		-
Park and recreation		20,783,980		19,215,183		16,295,920		6,560,744		13,819,465		17,217,901		3,171,732		3,457,384		2,243,021		7,768,469
Water and wastewater		9,826,559		10,987,344		8,184,725		9,386,465		10,963,529		13,257,369		11,112,214		9,496,491		7,542,543		5,905,896
Debt service		13,662,266		13,658,394		12,923,773		12,103,624		10,609,670		14,538,460		9,301,616		8,466,389		6,561,413		6,427,135
Committed to:																				
Transportation and parking		-		2,687,278		318,098		2,357,342		4,741,257		530,246		2,555,470		-		-		-
Public safety		-		-		327,407		132,902		-		116,759		116,759		-		-		-
General government		112,763		-		222,296		140,620		35,435		281,356		191,962		-		-		-
Parks and recreation		-		-		15,066		310,131		185,739		2,500		413,449		-		-		-
Finance and internal services		-		-		219,068		70,450		62,683		363,849		104,351		-		-		-
Community planning and engineering		-		-		3,546,675		-		139,899		392,762		-		-		-		-
Assigned to:																				
Transportation and parking		2,503,490		2,225,955		2,213,021		1,689,678		1,646,707		1,102,090		1,124,513		845,160		848,286		483,195
Parks and recreation		-		-		-		-		-		-		-		-		-		-
Reserved		-		-		-		-		-		-		-		-		-		-
Unreserved, designated		-		-		-		-		-		-		-		-		-		-
Unreserved reported in:		-		-		-		-		-		-		-		-		-		-
Special revenue		-		-		-		-		-		-		-		-		-		-
Capital outlay		13,986,950		15,408,066		10,707,239		13,177,128		7,624,921		9,418,803		7,013,427		4,170,725		5,940,772		6,819,012
Unassigned		(59,820)		(906,313)		(367,686)		(109,411)		(161,340)		-		-		-		-		-
Total all other governmental funds		<u>117,733,115</u>		<u>138,336,156</u>		<u>148,716,521</u>		<u>126,756,529</u>		<u>160,138,903</u>		<u>195,915,279</u>		<u>70,442,702</u>		<u>70,361,472</u>		<u>44,302,971</u>		<u>60,807,148</u>
Total governmental funds		<u>\$ 160,587,351</u>		<u>\$ 185,207,790</u>		<u>\$ 195,517,129</u>		<u>\$ 162,183,935</u>		<u>\$ 189,277,889</u>		<u>\$ 220,523,827</u>		<u>\$ 95,559,485</u>		<u>\$ 96,458,529</u>		<u>\$ 68,541,758</u>		<u>\$ 81,878,010</u>

City of Fayetteville, Arkansas
Fund Balance, Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sales tax	\$ 91,359,675	\$ 89,425,593	\$ 84,765,006	\$ 75,951,014	\$ 65,043,039	\$ 61,903,228	\$ 60,618,946	\$ 57,767,275	\$ 55,684,409	\$ 53,284,827
Hotel, motel, restaurant tax	5,290,374	4,995,902	4,687,799	4,088,645	2,978,986	3,719,543	3,545,209	3,421,123	3,302,526	3,080,487
Property tax	7,687,569	7,090,560	6,423,294	5,855,385	5,327,027	5,189,523	5,151,518	4,744,232	4,390,779	2,962,307
Franchise tax	7,282,355	7,483,450	7,493,022	6,652,371	6,238,326	6,061,762	6,278,306	5,961,428	5,729,195	5,875,497
Impact fee	3,267,731	2,866,849	2,688,076	2,678,257	2,216,422	2,337,747	1,946,849	2,277,402	2,273,690	1,676,255
Licenses and permits	3,354,035	2,755,564	2,664,768	2,227,479	1,738,387	1,963,144	2,134,764	1,491,309	1,888,094	1,572,950
Intergovernmental	20,692,196	23,921,513	25,351,098	17,117,348	16,350,216	17,946,106	16,154,994	11,977,121	12,346,839	12,719,222
Charges for services	7,190,752	7,418,286	5,533,416	4,649,482	4,407,567	4,603,278	3,841,736	3,867,406	3,754,403	4,490,866
Fines and forfeitures	1,605,841	1,205,090	1,350,821	1,187,620	1,286,062	1,665,720	1,733,446	1,880,658	1,968,240	1,884,717
Investment earnings	6,417,125	6,328,109	2,073,973	198,599	1,196,314	2,243,206	1,318,559	694,002	422,918	348,218
Net increase (decrease) in the fair value of investments	1,220,285	2,366,749	(3,338,306)	(698,577)	(142,330)	391,852	237,230	(46,360)	(108,069)	(198,715)
Contributions	4,336,248	3,393,347	3,162,850	4,294,485	3,164,075	4,659,243	3,132,711	5,536,512	1,012,444	2,971,091
Other	597,459	1,657,294	760,045	266,586	4,087,635	432,233	613,546	609,685	344,627	712,405
Total revenues	160,301,645	160,908,306	143,615,862	124,468,694	113,891,726	113,116,585	106,707,814	100,181,793	93,010,095	91,380,127
Expenditures										
General government	13,164,023	14,074,374	10,207,036	8,616,004	8,734,908	8,567,732	10,044,959	7,406,234	7,436,817	6,492,110
Finance and internal services	7,287,151	6,798,697	6,485,681	5,390,407	5,391,572	4,911,068	5,367,567	4,447,141	4,127,975	3,786,053
Library								359,615		
Public safety (Police and Fire)	50,230,340	47,284,349	39,494,052	35,509,805	33,136,622	33,741,104	31,694,225	29,910,226	27,843,796	26,891,219
Community planning and engineering	6,891,152	6,731,828	5,685,618	5,428,000	5,412,179	5,283,905	5,211,527	4,990,210	4,531,019	4,140,740
Transportation, parking, and utilities	12,849,818	11,358,404	10,689,653	9,634,873	7,602,640	9,216,295	9,411,391	8,120,087	8,294,495	7,711,811
Parks and recreation	8,486,996	7,645,963	6,113,742	5,360,171	4,529,849	5,008,205	4,911,372	4,640,428	4,070,079	4,033,338
Debt service										
Interest and trustee fees	4,921,814	5,935,453	5,025,640	4,704,651	5,995,810	2,133,810	2,961,292	2,858,982	3,527,699	3,991,904
Principal	33,219,564	30,522,003	28,619,928	25,370,027	25,290,187	22,255,187	22,145,188	19,545,000	18,215,000	16,650,000
Bond issue cost	240,805	-	506,994	-	-	837,594	-	-	-	162,623
Capital outlay	53,011,207	38,770,679	68,606,237	46,823,216	44,790,584	30,741,086	17,457,391	17,166,446	28,020,060	33,543,409
Total expenditures	190,302,870	169,121,750	181,434,581	146,837,154	140,884,351	122,695,986	109,204,912	99,444,369	106,066,940	107,403,207
Excess of revenues over (under) expenditures	(30,001,225)	(8,213,444)	(37,818,719)	(22,368,460)	(26,992,625)	(9,579,401)	(2,497,098)	737,424	(13,056,845)	(16,023,080)
Other Financing Sources (Uses)										
Transfers in	1,633,618	611,316	4,074,919	3,778,670	3,463,940	704,110	923,842	1,147,114	642,422	870,355
Transfers out	(11,551,494)	(2,707,211)	(8,436,872)	(8,504,164)	(7,717,253)	(748,989)	(976,913)	(1,236,414)	(921,829)	(884,355)
Bonds issued	14,941,499	-	75,513,866	-	-	134,588,622	1,651,125	27,268,647	-	9,080,226
Issuance of leases & SBITAs	357,164	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,380,787	(2,095,895)	71,151,913	(4,725,494)	(4,253,313)	134,543,743	1,598,054	27,179,347	(279,407)	9,066,226
Net changes in fund balances	\$ (24,620,438)	\$ (10,309,339)	\$ 33,333,194	\$ (27,093,954)	\$ (31,245,938)	\$ 124,964,342	\$ (899,044)	\$ 27,916,771	\$ (13,336,252)	\$ (6,956,854)
Debt service as a percentage of noncapital expenditures	27.78%	27.97%	29.82%	30.07%	32.56%	26.52%	27.36%	27.23%	27.86%	27.95%

(1) Debt service includes Interest and Trustee fees, Principal and Bond Issue Cost

City of Fayetteville, Arkansas
Governmental Funds Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Sales Tax	Sales & Use Tax For Bonded Debt 1.00%	Sales & Use Tax For Bonded Debt 0.75%	Sales & Use Tax For Bonded Debt 0.25%	Franchise Fees	HMR Tax (1%)	Alcoholic Beverage Tax	City Property Tax	TIF Property Tax	Total
2015	\$ 32,841,750	\$ -	\$ 14,850,464	\$ 4,950,155	\$ 5,875,497	\$ 3,080,487	\$ 642,457	\$ 2,809,419	\$ 152,888	\$ 65,203,117
2016	34,337,665	-	15,483,143	5,161,048	5,729,195	3,302,526	702,554	4,230,960 (1)	159,819	69,106,910
2017	35,733,648	-	15,972,843	5,324,281	5,961,428	3,421,123	736,503	4,518,054	226,177	71,894,057
2018	37,560,022	-	16,729,104	5,576,368	6,278,306	3,545,209	753,452	4,752,414	399,104	75,593,979
2019	38,404,005	22,668,600	-	-	6,061,762	3,719,543	830,622	4,831,167	339,645	76,855,344
2020	40,760,786	23,759,681	-	-	6,238,326	2,978,986 (2)	522,572 (2)	4,983,567	343,460	79,587,378
2021	47,459,952	27,530,298	-	-	6,652,371	4,088,645	960,764	5,420,738	438,161	92,550,929
2022	53,377,417	30,142,529	-	-	7,493,022	4,687,799	1,245,060	5,973,667	449,627	103,369,121
2023	56,340,684	31,790,727	-	-	7,483,450	4,995,902	1,294,182	6,508,225	582,335	108,995,505
2024	57,678,359	32,365,993	-	-	7,282,355	5,290,375	1,315,322	7,060,460	627,109	111,619,973

Notes: (1) Millage increase in 2016 for City

(2) Decrease in taxes due to COVID 19

City of Fayetteville, Arkansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year	Real Property		Personal Property		Utilities		Total		Ratio of Total	Total
	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed to Actual	Direct Tax Rate
2015	\$ 1,171,158,618	\$ 5,855,793,090	\$ 232,141,573	\$ 1,160,707,865	- \$	-	\$ 1,403,300,191	\$ 7,016,500,955	20.00%	3.10
2016	1,213,852,296	6,069,261,480	252,836,149	1,264,180,745	- \$	-	1,466,688,445	7,333,442,225	20.00%	3.10
2017	1,257,361,951	6,286,809,755	246,656,011	1,233,280,055	- \$	-	1,504,017,962	7,520,089,810	20.00%	3.10
2018	1,309,055,168	6,545,275,840	261,728,096	1,308,640,480	66,624,046	333,120,230	1,637,407,310	8,187,036,550	20.00%	3.10
2019	1,352,620,084	6,763,100,420	247,101,970	1,235,509,850	71,292,487	356,462,435	1,671,014,541	8,355,072,705	20.00%	3.10
2020	1,529,519,526	7,647,597,630	262,267,946	1,311,339,730	77,429,003	387,145,015	1,869,216,475	9,346,082,375	20.00%	3.10
2021	1,647,091,410	8,235,457,050	282,921,776	1,414,608,880	79,099,402	395,497,010	2,009,112,588	10,045,562,940	20.00%	3.10
2022	1,774,725,982	8,873,629,910	310,717,662	1,553,588,310	96,466,092	482,330,460	2,181,909,736	10,909,548,680	20.00%	3.10
2023	2,030,990,539	10,154,952,695	340,274,044	1,701,370,220	101,783,905	508,919,525	2,473,048,488	12,365,242,440	20.00%	3.10
2024	2,264,413,457	11,322,067,285	357,348,248	1,786,741,240	103,816,665	519,083,325	2,725,578,370	13,627,891,850	20.00%	3.10

Note: Utilities added in 2018

Source: Washington County Assessor

**City of Fayetteville, Arkansas
Property Tax Rates
Direct and Overlapping Government
Last Ten Fiscal Years**

Tax Rates (Millages)

<u>City of Fayetteville</u>									
<u>Year</u>	<u>Police's Pension & Relief Fund</u>	<u>Firemen's Pension & Relief Fund</u>	<u>General Fund</u>	<u>Total Fayetteville</u>	<u>Fayetteville Public Library</u>	<u>Washington County</u>	<u>Fayetteville Public Schools</u>	<u>Total Direct & Overlapping Rates</u>	
2015	0.4	0.4	2.3	3.10	1.00	5.00	45.65	54.75	
2016	0.4	0.4	2.3	3.10	3.70	5.00	45.65	57.45	
2017	0.4	0.4	2.3	3.10	3.70	5.00	45.65	57.45	
2018	0.4	0.4	2.3	3.10	3.70	5.50	45.65	57.95	
2019	0.4	0.4	2.3	3.10	3.70	5.50	45.65	57.95	
2020	0.4	0.4	2.3	3.10	3.70	5.50	45.65	57.95	
2021	0.4	0.4	2.3	3.10	3.70	5.50	45.65	57.95	
2022	0.4	0.4	2.3	3.10	3.70	5.50	45.65	57.95	
2023	0.4	0.4	2.2	3.00	3.70	5.30	45.00	57.00	
2024	0.4	0.4	2.3	3.10	3.70	5.30	45.00	57.10	

Source: Washington County Assessor

**City Of Fayetteville, Arkansas
Property Tax Levies and Collections
Last Ten Fiscal Years**

Year	Total Tax Levy (1,2,3)	Current Tax Collections (4)	Percentage of Levy Collected	Prior Years' Collections (5)	Total Collections	Percentage of Total Collections to Tax Levy
2015	\$ 2,952,207	\$ 2,622,060	88.82%	\$ 104,823	\$ 2,726,883	92.37%
2016	4,467,559	3,734,669	83.60%	254,466	3,989,135	89.29%
2017	4,814,563	4,103,383	85.23%	146,759	4,250,142	88.28%
2018	5,248,919	4,479,655	85.34%	188,940	4,668,595	88.94%
2019	5,434,968	4,463,177	82.12%	178,060	4,641,237	85.40%
2020	6,102,128	4,561,309	74.75%	196,735	4,758,044	77.97%
2021	6,574,962	5,073,607	77.17%	186,820	5,260,427	80.01%
2022	7,156,034	5,510,034	77.00%	228,446	5,738,480	80.19%
2023	7,879,094	6,077,814	77.14%	249,222	6,327,036	80.30%
2024	8,058,193	6,648,755	82.51%	249,367	6,898,122	85.60%

- Note: (1) Tax levies and collections do not include taxes paid on city utilities.
(2) The Highway 71 East Square redevelopment district No. 1 was created in 2005.
(3) The City levied 1.3 mill property tax in 2006.
(4) Court Orders are excluded out of the Current Year Collections.
(5) Land Sales are excluded out of the Prior Year Collections

Source: Washington County Assessor

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, sales tax construction fund, police pension plan, and fire pension plan.

**City of Fayetteville, Arkansas
Principal Property Taxpayers
December 31, 2024**

Taxpayer	2024		Percentage of		2015		Percentage of	
	Assessed	Rank	Total Assessed	Valuation	Assessed	Rank	Total Assessed	Valuation
	Valuation (1)		Valuation		Valuation (1)		Valuation	
Ozark Go (C/O Ozark Electric Co)	\$ 24,870,050	1	0.91%					
Southwestern Electric Power Co.	18,719,543	2	0.69%					
Black Hills Energy Arkansas	17,633,858	3	0.65%					
Ozark Electric Cooperative Corporation	17,245,428	4	0.63%					
Wal-Mart Stores Inc	15,988,302	5	0.59%					
Mathias Shopping Centers Inc	14,852,429	6	0.54%		\$ 9,199,863	4	0.66%	
Tyson Foods Inc 6th St	14,313,663	7	0.53%		8,177,599	6	0.58%	
Fayetteville Student Housing Dst	12,871,481	8	0.47%					
Aptitude Arkansas LLC	11,017,249	9	0.40%					
The Links at Fayetteville	10,513,331	10	0.39%		5,817,645	8	0.41%	
Sam's Real Estate Business Trust					15,174,795	1	1.08%	
Macerich Fayetteville 4201 Shiloh (Mall)					14,713,410	2	1.05%	
Superior Industries Int'l INC					10,240,687	3	0.73%	
Pinnacle Foods Group LLC					9,163,842	5	0.65%	
Cliffs III Limited Partnership					6,203,182	7	0.44%	
Spring Creek Improvements LLC					5,477,260	9	0.39%	
Lowe's Home Centers INC #432					5,314,373	10	0.38%	
Totals	\$ 158,025,334		5.80%		\$ 89,482,656		6.37%	

(1) Washington County Assessor

City of Fayetteville, Arkansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bond	Special Obligation Bonds	Sales Tax Bonds	Leases and Subscriptions	Revenue Bonds	Leases and Subscriptions			
2015	\$ -	\$ 98,599,892	\$ -	\$ -	\$ 7,295,877	\$ -	\$ 105,895,769	3.00%	1,439
2016	-	80,255,846	-	-	5,638,604	-	85,894,450	2.32%	1,167
2017	-	87,839,772	-	-	3,960,524	-	91,800,296	2.36%	1,248
2018	-	64,165,000	-	1,375,938	2,195,314	-	67,736,252	1.66%	921
2019	-	169,780,000	-	1,100,750	-	-	170,880,750	3.99%	2,322
2020	-	144,765,000	-	825,564	-	-	145,590,564	3.23%	1,979
2021	-	119,670,160	-	550,376	-	-	120,220,536	1.99%	1,280 (2)
2022	-	173,527,272	-	530,928 (3)	-	-	174,058,197	2.75%	1,853
2023	-	35,017,288 (5)	107,759,281 (5)	755,977 (4)	-	315,616 (4)	143,848,162	2.16%	1,531 (2)
2024	-	31,916,075	93,182,376	577,703	5,385,747	256,470	131,318,371	1.88%	1,398

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Population data can be found in the Schedule of Demographic and Economic Statistics.

(2) 2020 Census Population increase

(3) GASB 87-Leases added

(4) GASB 96-SBITAs added

(5) Separated Sales and Use Tax Bonds from Special Obligation Bonds Column

General obligation bond is net of the premium and discount

Source: General ledger files

City of Fayetteville, Arkansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

	<u>Total Bonded Debt Outstanding</u>	<u>Percentage Applicable to the City</u>	<u>Estimated Share of Direct Overlapping Debt</u>
Direct:			
City of Fayetteville (1)	\$ 125,676,156	100%	\$ 125,676,156
Overlapping:			
Fayetteville Public School District (2)	387,110,000	100%	387,110,000
Washington County (3)	-		-
Total overlapping	<u>387,110,000</u>		<u>387,110,000</u>
Total direct and estimated overlapping bonded debt	<u>\$ 512,786,156</u>		<u>\$ 512,786,156</u>

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values within the City.

(2) Stephens Inc.

(3) Washington County Comptroller

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

	<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>
Debt limit	\$ 681,394,593	\$ 618,262,122	\$ 545,477,434	\$ 502,278,147	\$ 467,304,119	\$ 417,753,635	\$ 409,351,828	\$ 376,004,491	\$ 366,672,111	\$ 350,825,048
Total net debt applicable to limit	<u>577,703</u>	<u>755,977</u>	<u>530,927</u>	<u>550,376</u>	<u>825,564</u>	<u>1,100,750</u>	<u>1,375,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 680,816,890</u>	<u>\$ 617,506,145</u>	<u>\$ 544,946,507</u>	<u>\$ 501,727,771</u>	<u>\$ 466,478,555</u>	<u>\$ 416,652,885</u>	<u>\$ 407,975,890</u>	<u>\$ 376,004,491</u>	<u>\$ 366,672,111</u>	<u>\$ 350,825,048</u>
Total net debt applicable to limit as a percentage of debt limit	0.08%	0.12%	0.10%	0.11%	0.18%	0.26%	0.34%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 2,725,578,370
Debt limit-25% of assessed value	681,394,593
Debt applicable to limit	
General obligation bonds	
Capital leases/notes	<u>577,703</u>
Less: debt service reserve	<u> </u>
Total net debt applicable to debt limit	<u>577,703</u>
Legal debt margin	<u>\$ 680,816,890</u>

Note: Under state finance law, the City of Fayetteville's outstanding general obligation debt should not exceed 25% of total assessed property value. Act 1808 of 2001 increased the debt limit by allowing an additional 5% for short-term financing. Prior to 2001, the debt limit was 20% of assessed property value.

Source: Washington County Assessor

**City of Fayetteville, Arkansas
Parking Fund
Revenue Bond Coverage
Last Ten Fiscal Years**

Year	Operating Revenue (1)	Operating Expenses (1)	Net Revenue Available for Debt Service	Maximum Annual Debt Service			Coverage
				Principal	Interest	Total	
2015	\$ 1,528,143	\$ 794,894	\$ 733,249	\$ 230,000	\$ 150,633	\$ 380,633	1.93
2016	1,720,630	741,155	979,475	230,000	150,633	380,633	2.57
2017	2,099,452	834,018	1,265,434	230,000	150,633	380,633	3.32
2018	1,870,816	912,149	958,667	230,000	150,633	380,633	2.52
2019	1,924,621	946,624	977,997	230,000	150,633	380,633	2.57
2020	1,762,166	868,177	893,989	230,000	150,633	380,633	2.35
2021	1,553,460	814,996	738,464	230,000	150,633	380,633	1.94
2022	1,874,882	1,331,783	543,099	235,000	145,225	380,225	1.43
2023	1,843,783	1,473,275 (2)	370,508	240,000	139,285	379,285	0.98
2024	2,162,600	1,318,870	843,730	245,000	132,858	377,858	2.23

(1) As defined by each respective bond ordinance.

(2) City incurred one-time costs during 2023 and expects required coverage to be achieved in fiscal year 2024

**City of Fayetteville, Arkansas
Demographic & Economic Statistics
Last Ten Fiscal Years**

Year	City of Fayetteville Population(1)	Personal Income (in thousands)	Per Capita Income(2)	Median Age(1)	Education Level in Years of Formal Schooling(3)	School Enrollment(4)	Unemployment Percentage Rate(5) (6)
2015	73,580	\$ 3,527,362	\$ 47,939	26.7	14.0	9,614	3.9
2016	73,580	3,703,712	50,336	26.7	14.0	9,684	2.8
2017	73,580	3,888,897	52,853	26.7	14.0	10,039	2.8
2018	73,580	4,083,342	55,495	26.7	14.0	10,265	2.8
2019	73,580	4,287,509	58,270	26.7	14.0	10,334	2.5
2020	73,580	4,501,885	61,184	26.7	14.0	10,151	3.5
2021	93,949	6,035,539	64,243	27.3	14.0	10,349	1.9
2022	93,949	6,337,316	67,455	27.7	14.0	10,426	2.2
2023	93,949	6,654,182	70,828	29.0	14.0	10,164	2.3
2024	93,949	6,986,891	74,369	27.6	14.0	10,154	2.8

Sources:

- (1) U.S. Census Bureau
- (2) Income of previous year x 5%
- (3) Previous U.S. Census Bureau report
- (4) Fayetteville Public School Administrator
- (5) Discover Arkansas Unemployment Rates
- (6) www.deptofnumbers.com

**City of Fayetteville
Principal Employers
Current Year and Nine Years Ago**

Employer	2024			2015		
	Employees	Rank	Percentage of Population 93,949	Employees	Rank	Percentage of Population 73,580
University of Arkansas	7,179	1	7.64%	8,750	1	11.89%
Washington Regional Medical Center	3,523	2	3.75%	2,300	2	3.13%
Veteran's Admin. Medical	1,660	3	1.77%	1,545	3	2.10%
Fayetteville School District	1,608	4	1.71%	1,350	5	1.83%
City of Fayetteville	885	5	0.94%	743	7	1.01%
Tyson Mexican Original	758	6	0.81%	637	9	0.87%
Washington Co. Government	739	7	0.79%	1,407	4	1.91%
Walmart #359	478	8	0.51%	0	0	0.00%
Walmart #144	404	9	0.43%	510	10	0.69%
Walmart #9149 (optical lab)	332	10	0.35%	650	8	0.88%
	17,566		18.70%	17,892		24.31%

Source: HR Departments from above-listed employers

City of Fayetteville, Arkansas
Equivalent City Government Employees by Function
Last Ten Years

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government	48.65	49.65	47.65	46.65	46.65	45.75	43.75	43.75	42.75	40.75
Finance	68.35	65.85	60.35	58.35	58.35	57.25	55.75	54.25	52.25	53.25
Police										
Officers/Uniformed	156	154	143.00	131.00	131.00	131.00	129.00	129.00	127.00	121.00
Civilians	55	53	51.00	48.00	48.00	50.00	51.00	51.00	48.50	49.00
Fire										
Officers/Uniformed	136	134	122.00	119.00	120.00	119.00	119.00	119.00	119.00	110.00
Civilians	4	4	4.00	3.00	2.00	3.00	3.00	3.00	3.00	4.00
Community planning and engineering	85.8	82.3	78.30	76.30	76.30	73.30	73.30	71.30	69.30	69.80
Transportation, parking, utilities	108.5	107.5	107.50	104.50	104.50	104.00	102.00	80.50	80.50	81.50
Parks and recreation	77.4	72.7	64.50	59.20	59.20	59.20	58.10	58.10	56.65	55.65
Water and sewer	85	84	82.00	80.00	80.00	75.00	73.00	94.50	93.50	93.50
Solid waste	69.5	68	67.00	66.00	66.00	64.00	59.00	59.00	57.00	57.00
Airport	13	13	13.00	11.60	11.60	11.60	11.60	11.60	11.60	12.60
Fleet operations	21.5	19.5	19.50	19.50	19.00	19.50	18.50	18.50	18.50	18.50
Total	928.70	907.50	859.80	823.10	822.60	812.60	797.00	793.50	779.55	766.55

Source: City of Fayetteville Budget Office

**City of Fayetteville
Capital Assets by Function
Last Ten Fiscal Years**

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	2	1	2	2	2	2	2	4	4	3
Police units	105	99	87	88	72	68	67	66	65	62
Fire										
Fire stations	9	9	9	7	7	7	7	7	8	8
Fire trucks	19	19	19	19	18	17	17	17	16	16
Transportation										
Paved streets (miles)	450	443	438	435	430	426	423	420	414	411
Traffic signals	124	137	132	128	128	127	127	126	121	122
Parks and recreation										
Parks acreage	4,071	4,068	4,071	4,068	3,793	3,802	3,807	3,710	3,705	3,700
Parks	76	75	74	71	65	72	70	69	69	68
Baseball/softball fields	26	22	22	22	22	22	22	22	22	18
Water and sewer										
Water meters active	48,670	47,432	46,584	45,526	44,552	42,747	41,966	41,785	40,756	40,038
Water mains (miles)	854	846	834	824	819	813	798	788	782	810
Sewer mains (miles)	591	581	572	566	562	558	547	540	537	675
Solid waste										
Sanitation trucks	43	42	40	41	42	36	36	39	37	37

Source: City of Fayetteville divisions

**City of Fayetteville, Arkansas
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Calls for service	44,394	46,265	49,067	53,262	51,690	48,629	47,079	49,428	47,646	45,944
Physical arrests (1)	3,493	3,423	2,681	617	241	4,810	4,744	4,351	4,341	3,738
9-1-1 calls	41,250	45,659	42,949	46,176	41,493	41,100	39,509	39,527	42,634	42,372
Fire										
Calls for service	13,563	13,134	13,167	13,448	10,516	12,644	12,324	11,624	10,368	9,624
Inspections (hours)	1,222	979	912	892	709	1,397	1,079	1,079	813	1,243
Community planning & engineering										
Building inspections	24,680	24,566	23,004	18,576	19,007	28,509	25,110	24,999	25,732	16,823
Building permits issued	1,605	1,442	1,828	1,480	1,019	595	706	411	590	409
Transportation										
Streets overlaid (miles)	8	10	9	17	14	10	9	11	15	9
Parks and recreation										
Softball/Baseball participants	4,233	4,452	4,326	4,205	2,257 (2)	3,215	3,255	4,030	4,565	3,689
Soccer participants	2,782	2,619	2,645	2,030	212 (2)	2,677	2,927	3,041	3,100	3,024
Water and sewer										
Active accounts	49,532	48,291	47,310	46,155	45,173	43,185	42,514	42,352	41,166	40,387
Meters read	597,073	566,267	564,580	558,593	539,140	526,106	518,128	507,214	497,813	491,256
Water leaks repaired	1,469	1,666	1,384	1,304	945	741	841	624	622	583
Solid waste										
Recycling (tons)	6,425	6,157	6,364	6,566	6,394	6,765	7,021	6,545	6,567	6,074

Source: City of Fayetteville divisions

Notes:

(1) Per Calea standards, the Police data have changed to Custodial Arrest starting in 2013.

(2) Fayetteville Parks and Recreation suspended many games due to COVID in 2020.

**City of Fayetteville, Arkansas
Miscellaneous Statistical Data
December 31, 2024**

Municipal water system:

Beaver Water District pumping capacity	140 mgd
Pumping capacity to Fayetteville	41 mgd
Average daily water use	24.859 mgd
Maximum day's water use	32.854 mgd
Water rates charged by Beaver Water District (per million gallons)	
January 2024 - September 2024	1.54 per 1000 gallons
October 2024 - December 2024	1.67 per 1000 gallons
Water users consuming more than 5% of water output:	
University of Arkansas	6.99%

Sewage treatment plant:

Nominal plant capacity for two plants	22.6 mgd
Average daily sewage flow	14.54 mgd

City's water rate structure
effective 1/1/2024

	Inside City	Outside City
First 2,000 gallons	\$ 3.59	\$ 4.54
2,001 to 15,000 gallons	4.75	6.01
15,001 gallons and over	6.74	8.52

City's sewer rate structure
effective 1/1/2024

	Usage per 1,000 Gallons	
First 2,000 gallons	\$	4.94
Greater than 2,000		6.59
Non-residential - all usage		5.54
Major industrial - all usage		5.85
All usage:		
Farmington		7.59
Greenland		7.59
Outside city		7.59

Water and sewer system:

2024 operating revenues	\$ 52,670,046
2024 bad debt expense	\$ 420,835
2024 bad debt percentage	0.80%
Cost of projected capital improvements for 2024	\$ 57,934,506

**City of Fayetteville, Arkansas
TIF Statistical Data**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Property Tax Increment Receipts	627,109	582,335	449,627	438,161	343,460	339,645	399,104	226,177	159,819	152,888
Total Principal Amount of Bonds Redeemed	175,000	150,000	154,000	179,840	205,000	150,000	100,000	75,000	75,000	70,000
Total Principal Amount of Bonds Outstanding	1,796,160	1,971,160	2,121,160	2,275,160	2,455,000	2,660,000	2,810,000	2,910,000	2,985,000	3,060,000
Total Taxable Value of Real Property Incremental	99,152,030	86,782,613	71,293,291	63,038,740	55,919,456	46,331,262	44,513,140	30,421,528	30,085,591	29,332,215
Total Accreted Value of Bonds Outstanding	6,296,822	6,482,457	6,543,838	6,587,592	6,667,883	6,777,008	6,715,565	6,523,628	6,277,121	6,036,111
Total Accreted Value of Bonds Redeemed	581,694	467,917	423,662	354,724	362,476	276,557	226,557	159,389	149,513	130,899
Bonds Outstanding	359	394	424	455	491	532	562	582	597	612
Trustee Fees	5,890	5,890	3,690	8,690 (1)	3,690	4,160	3,850	3,970	3,850	3,850

(1) Additional \$5,000 tender fee assessed in 2021

Independent Accountants' Report on Compliance With Arkansas State Requirements

The Honorable Mayor and Members of City Council
City of Fayetteville, Arkansas
Fayetteville, Arkansas

We have examined management's assertions that the City of Fayetteville, Arkansas 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 assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the aforementioned requirements above based upon our examination.

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

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

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

Forvis Mazars, LLP

**Rogers, Arkansas
June 27, 2025**

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining information of the City of Fayetteville, 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, and have issued our report thereon dated June 27, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Arkansas
June 27, 2025

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fayetteville's (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Rogers, Arkansas
June 27, 2025**

City of Fayetteville, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
<i>Economic Development Cluster</i>				
Economic Adjustment Assistance	11.307		\$ -	\$ 1,039,282
Program and Cluster Total			-	1,039,282
Total U.S. Department of Commerce			-	1,039,282
U.S. Department of Housing and Urban Development				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants - 2017	14.218		-	10,237
Community Development Block Grants/Entitlement Grants - 2018	14.218		-	19,582
Community Development Block Grants/Entitlement Grants - 2019	14.218		-	141
Community Development Block Grants/Entitlement Grants - 2022	14.218		-	110,642
Community Development Block Grants/Entitlement Grants - 2023	14.218		-	443,897
Community Development Block Grants/Entitlement Grants - 2024	14.218		-	148,163
Program and Cluster Total			-	732,662
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251		-	55,150
Continuum of Care Program aka Special Needs Assistance Program-AR0043	14.267		-	26,900
Continuum of Care Program aka Special Needs Assistance Program-AR0039	14.267		-	185,538
Continuum of Care Program aka Special Needs Assistance Program-AR0071	14.267		-	32,741
Continuum of Care Program aka Special Needs Assistance Program-AR0044	14.267		-	64,497
Program Total			-	309,676
Total U.S. Department of Housing and Urban Development			-	1,097,488
U.S. Department of the Interior				
Historic Preservation Fund Grants-In-Aid - 2022	15.904		-	14,803
Historic Preservation Fund Grants-In-Aid - 2023	15.904		-	39,194
Program Total			-	53,997
Total U.S. Department of the Interior			-	53,997

City of Fayetteville, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024 (Continued)

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Bulletproof Vest Partnership Program - 2022	16.607		\$ -	\$ 7,740
Bulletproof Vest Partnership Program - 2023	16.607		-	7,061
Program Total			-	14,801
Public Safety Partnership and Community Policing Grants - 2021	16.710	15COPS-21-GG-02327-SPPS	-	37,269
Public Safety Partnership and Community Policing Grants - 2022	16.710	15JCOPS-22-GG-04114-LEMH	-	24,993
Public Safety Partnership and Community Policing Grants - 2023	16.710	15JCOPS-23-GG-01793-PPSE	-	40,955
Public Safety Partnership and Community Policing Grants - 2023	16.710	15JCOPS-23-GG-01830-LEMH	-	55,011
Public Safety Partnership and Community Policing Grants - 2023	16.710	15JCOPS-23-GG-04718-UHPX	-	61,713
Program Total			-	219,941
Edward Byrne Memorial Justice Assistance Grant - 2022		15PBJA-22-GG-02242- JAGX	-	39,739
Edward Byrne Memorial Justice Assistance Grant - 2023	16.738	15PBJA-23-GG-03064- JAGX	-	54,629
Edward Byrne Memorial Justice Assistance Grant - 2024 & 2025	16.738	15PBJA-23-GG-02964- JAGX	-	113,117
Program Total			-	207,485
Total U.S. Department of Justice			-	442,227
U.S. Department of Transportation				
Recreational Trails Program - Kessler Mountain Natural Surface Trails	20.219	AHTD Job 040876	-	10,884
Recreational Trails Program - Hwy 112 Poplar to Drake	20.219	AHTD Job 040720	-	315,111
Recreational Trails Program - Lighting and Video Detection	20.219	AHTD Job 040946	-	34,116
Recreational Trails Program - Milsap/College Hemlock Projects	20.219	AHTD Job 040943	-	143,150
Program Total			-	503,261
Highway Planning and Construction - I-49 and MLK Water/Sewer Relocation	20.205	AHTD Job 040846	-	4,253,486
Highway Planning and Construction - Highway 16 Water/Sewer Relocation	20.205	AHTD Job 040785	-	1,755,877
Program Total			-	6,009,363
Airport Improvement Program - Taxiway E Design	20.106		-	100,850
Airport Improvement Program - Runway Pavement and Lighting Rehab	20.106		-	204,053
Airport Improvement Program - Wildlife Fence Rehab	20.106		-	4,660
Airport Improvement Program - Master Plan Update	20.106		-	132,526
Airport Improvement Program - Taxiway E Environmental Assessment	20.106		-	81,600
Program Total			-	523,689
Railroad Crossing Elimination	20.327	FR-RCE-2007	-	13,911
<i>Highway Safety Cluster</i>				
	20.600	OP-2024-02-02-08	-	19,495
	20.600	OP-2025-02-02-08	-	1,491
Program and Cluster Total			-	20,986
Total U.S. Department of Transportation			-	7,071,210

City of Fayetteville, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024 (Continued)

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of the Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 2,276,519	\$ 2,872,047
Program Total			<u>2,276,519</u>	<u>2,872,047</u>
Total U.S. Department of the Treasury			<u>2,276,519</u>	<u>2,872,047</u>
Environmental Protection Agency				
Drinking Water State Revolving Fund	66.468	01F67901-(CD-01F69701-0)	-	11,428,706
Program Total			<u>-</u>	<u>11,428,706</u>
Total Environmental Protection Agency			<u>-</u>	<u>11,428,706</u>
Federal Emergency Management Agency				
Fire Prevention & Safety Grant	97.044		-	106,000
Program Total			<u>-</u>	<u>106,000</u>
Total Federal Emergency Management Agency			<u>-</u>	<u>106,000</u>
Office of National Drug Control Policy				
Gulf Coast High Intensity Drug Trafficking Areas Program - 2023	95.011		-	70,528
Gulf Coast High Intensity Drug Trafficking Areas Program - 2024	95.011		<u>-</u>	<u>61,108</u>
Program Total			<u>-</u>	<u>131,636</u>
Total Office of National Drug Control Policy			<u>-</u>	<u>131,636</u>
Total Expenditures of Federal Awards			<u>\$ 2,276,519</u>	<u>\$ 24,242,593</u>

**City of Fayetteville, Arkansas
Schedule of Expenditures of State Awards
Year Ended December 31, 2024**

<u>State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Grant or Identifying Number</u>	<u>Total State Expenditures</u>
Arkansas Department of Environmental Quality		
Food Waste Collection Containers	2024-588/FY24-04	\$ 9,935
Pilot Curbside Food Waste Collection Program	FY23-04	<u>8,750</u>
Total Arkansas Department of Environmental Quality		<u>18,685</u>
Arkansas Department of Aeronautics		
Farm Fuel Rehab	4014-21	<u>282,849</u>
Total Arkansas Department of Aeronautics		<u>282,849</u>
Arkansas Department of Parks, Heritage, Tourism		
Gulley Park Improvements Grant	A10773-19-WA	<u>17,131</u>
Total Arkansas Department of Parks, Heritage, Tourism		<u>17,131</u>
Arkansas Department of Emergency Management		
Act 833 (Turnback of Fire Insurance Premiums)		<u>250,223</u>
Total Arkansas Department of Emergency Management		<u>250,223</u>
Arkansas Department of Finance & Administration		
Arkansas State Drug Crime Enforcement	235041-22JL, J24-005-22/23	<u>113,117</u>
Total Arkansas Department of Finance & Administration		<u>113,117</u>
Arkansas State Police		
Selective Traffic Enforcement Project (2023-2024)	STEP FY 23-24	<u>10,000</u>
Total Arkansas State Police		<u>10,000</u>
Arkansas Department of Public Safety		
Public Safety Equipment Grant	DPS - Act 786	<u>40,366</u>
Total State of Arkansas		<u>40,366</u>
Arkansas Prosecutor Coordinator's Office		
Drug Crime Enforcement Shortfall	FY24	<u>211,863</u>
Total Arkansas Prosecutor Coordinator's Office		<u>211,863</u>
Total Expenditures of State Awards		<u><u>\$ 944,234</u></u>

City of Fayetteville, Arkansas
Notes to the Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2024

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (Schedules) includes the federal and state award activity of the City of Fayetteville, Arkansas (City) under programs of the federal and state government for the year ended December 31, 2024. The information in this Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Arkansas. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual (governmental funds) and accrual (enterprise funds) basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The City has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Fayetteville, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? Yes None Reported

Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal programs:

Significant deficiency(ies) identified? Yes None Reported

Material weakness(es) identified? Yes No

5. Type of auditor's report issued on compliance for major federal award programs:

Unmodified Qualified Adverse Disclaimed

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No

City of Fayetteville, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024 (Continued)

7. Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grants for Drinking Water State Revolving Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.

9. Auditee qualified as a low-risk auditee? Yes No

**City of Fayetteville, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024 (Continued)**

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

**City of Fayetteville, Arkansas
Status of Prior Audit Findings
Year Ended December 31, 2024**

Reference Number	Summary of Finding	Status
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No matters are reportable.