This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 4, 2025

NEW ISSUE **RATING: S&P: AA- (stable outlook)**

BOOK-ENTRY ONLY

In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the federal alternative minimum tax on certain corporations. Under existing law, Bond Counsel is of the opinion that the Bonds and the interest thereon are exempt from all state, county and municipal taxes in the State of Arkansas. See the caption ***LEGAL MATTERS****, Tax Exemption.*

$58,580,000*
CITY OF SPRINGDALE, ARKANSAS
WATER AND SEWER REVENUE BONDS
SERIES 2025

Dated: Date of Delivery Due: September 1, as shown on inside cover

The Bonds will not be general obligations of the City of Springdale, Arkansas (the "City"), but will be special obligations, secured by a pledge of revenues derived from the operation of the City's water and sewer system, which pledge is on a parity with the pledge in favor of the City's Water and Sewer Revenue Bonds, Series 2006, Series 2022A and Series 2022B.

The Bonds of each maturity will be initially issued as a single registered Bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Bonds will not receive physical delivery of Bonds. Payments of principal of and interest on the Bonds will be made by Bank OZK, Little Rock, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds, all as further described herein.

Interest on the Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2025. The Bonds mature on September 1 in the years and in the amounts, bear interest at the rates and are priced to yield as shown on the inside cover.

The Bonds are offered when, as and if issued and received by the Underwriters named below, subject to approval as to legality by Friday, Eldredge & Clark, LLP, Bond Counsel, and subject to satisfaction of certain other conditions.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Stephens Inc. Crews&Associates

Dated: _____, 2025

* Preliminary; subject to change.

$58,580,000*
CITY OF SPRINGDALE, ARKANSAS
WATER AND SEWER REVENUE BONDS
SERIES 2025

MATURITY SCHEDULE*

Maturity (September 1)	Amount	Rate(%)	Yield(%)
2025	$1,000,000		
2026	1,665,000		
2027	1,750,000		
2028	1,840,000		
2029	1,930,000		
2030	2,025,000		
2031	2,125,000		
2032	2,235,000		
2033	2,345,000		
2034	2,460,000		
2035	2,585,000		
2036	2,715,000		
2037	2,825,000		
2038	2,935,000		
2039	3,055,000		
2040	3,175,000		
2041	3,305,000		
2042	3,435,000		
2043	3,570,000		
2044	3,715,000		
2045	3,865,000		
2046	4,025,000		

* Preliminary; subject to change.

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds described herein and, if given or made, such information or representations must not be relied upon as having been authorized by the City. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the business, operations or financial condition of the City since the date hereof. This Official Statement does not constitute an offer or solicitation in any state in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or is made to any person to whom it is unlawful to make such offer or solicitation.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Authorizing Ordinance described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions in such laws from such registration and qualification.

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OFFICIAL STATEMENT

$58,580,000*
CITY OF SPRINGDALE, ARKANSAS
WATER AND SEWER REVENUE BONDS
SERIES 2025

INTRODUCTION TO THE OFFICIAL STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof and exhibits hereto. A full review should be made of the entire Official Statement, as well as the Authorizing Ordinance described herein.

This Official Statement is provided to furnish certain information in connection with the issuance by the City of Springdale, Arkansas (the "City") of its Water and Sewer Revenue Bonds, Series 2025 in the aggregate principal amount of $58,580,000* (the "Bonds"). The Bonds are being issued to finance the cost of water and sewer improvements and pay costs of issuing the Bonds. See **THE BONDS**, Purposes for Bonds.

The City is a city of the first class organized under the laws of the State of Arkansas (the "State") and is located in the northwestern part of the State. See **THE CITY AND THE COUNTY**. The City is authorized and empowered under the laws of the State, including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), to issue revenue bonds and to expend the proceeds thereof for the intended purposes.

The Bonds are not general obligations of the City, but are special obligations equally and ratably secured by a pledge of the revenues derived from the operation of the City's water and sewer system (the "System"). System revenues do not include collections of Impact Fees. See **THE BONDS**, Impact Fees. The pledge of System revenues in favor of the Bonds is on a parity with the pledge of System revenues in favor of the City's Water and Sewer Revenue Bond, Series 2006 (the "2006 Bond"), Water and Sewer Revenue Bonds, Series 2022A (the "2022A Bonds") and Water and Sewer Revenue Bond, Series 2022B (the "2022B Bond"). The Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State, particularly the Authorizing Legislation and Ordinance No. _____, adopted on _____, 2025 (the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

The Bonds will be initially issued in book-entry form and purchasers of Bonds will not receive certificates representing their interest in the Bonds purchased. See **THE BONDS**, Book-Entry Only System. The Bonds will contain such other terms and provisions as described herein **THE BONDS**, Generally.

The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or integral multiple thereof. Interest is payable September 1, 2025, and semiannually thereafter on each March 1 and September 1. Principal is payable at the principal office of Bank OZK, Little Rock, Arkansas, as trustee and paying agent (the "Trustee"). Interest is payable by check mailed by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the Bond, together with a written instrument of transfer, to the Trustee. See **THE BONDS**, Generally.

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* Preliminary; subject to change.

The Bonds are subject to optional redemption on and after September 1, 2030 and are subject to extraordinary redemption from proceeds of the Bonds not needed for the purposes intended. The Trustee shall give at least thirty (30) days notice of redemption. See **THE BONDS,** Redemption.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Bonds is excludable under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the federal alternative minimum tax on certain corporations, (iii) interest on the Bonds is exempt from State income tax and (iv) the Bonds are not subject to property taxes in the State. See **LEGAL MATTERS**, Tax Exemption.

The City and the Trustee will enter into a Continuing Disclosure Agreement in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Continuing Disclosure Agreement"). See **CONTINUING DISCLOSURE AGREEMENT**.

It is expected that the Bonds will be available for delivery on or about April 17, 2025, through the facilities of The Depository Trust Company in New York, New York.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Authorizing Ordinance and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Suite 2300, Little Rock, Arkansas 72201, Attention: Public Finance Department; and Crews & Associates, Inc., 521 President Clinton Avenue, Suite 800, Little Rock, Arkansas 72201, Attention: Public Finance.

THE BONDS

Book-Entry Only System. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Bonds. The Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate for each maturity date will be issued in the principal amount of the maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Closing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriters nor the City make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Authorizing Ordinance. The City and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Authorizing Ordinance to be given to owners of Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Bonds.

Generally. The Bonds will be dated the date of delivery, and will bear interest payable semiannually on March 1 and September 1 of each year, commencing September 1, 2025, at the rates set forth on the inside cover page hereof. The Bonds will mature on September 1 in the years and in the principal amounts set forth on the inside cover page hereof. The Bonds are issuable in the form of registered Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Authorizing Ordinance. In the event any Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new Bond in accordance with the provisions therefor in the Authorizing Ordinance.

Each Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to any owner of any Bond for the privilege of registration, but any owner of any Bond requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. Neither the City nor the Trustee shall be required to transfer or exchange any Bonds selected for redemption in whole or in part.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or premium, if any, or interest of any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Redemption. The Bonds shall be subject to optional and extraordinary redemption as follows:

(1) Optional Redemption. The Bonds are subject to redemption at the option of the City, from funds from any source, on and after September 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(2) Extraordinary Redemption. The Bonds must be redeemed from proceeds of the Bonds not needed for the purposes intended, on any interest payment date, in whole or in part, at a price equal to the principal amount being redeemed plus accrued interest to the redemption date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

In the case of any redemption of Bonds prior to maturity, the Trustee shall provide notice of redemption to the registered owners of the Bonds to be redeemed, in each case not less than 30 nor more than 60 days prior to the date of redemption, by mailing a copy of the redemption notice by first class mail postage prepaid, or by sending a copy of the redemption notice via other standard means, including electronic or facsimile communication. After the date for redemption no further interest shall accrue on any Bond called for redemption if funds for redemption of such Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the Bonds are issued in book-entry only form, if fewer than all the Bonds of an issue are called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. **The Trustee will not give any notice of redemption to the Beneficial Owners of the Bonds.**

Purposes for Bonds. The Bonds are being issued to finance extensions, betterments and improvements to the System (the "Project") and to pay the expenses of issuing the Bonds.

The Project includes particularly, without limitation, the Western Corridor Transmission Main Project and the Johnson/Robinson Force Main and Gravity Sewer Project.

The Western Corridor Transmission Main Project includes the construction of a large diameter water transmission main from proposed pumping facilities of the Beaver Water District to distribution mains of the System. A 3,000,000 gallon elevated reservoir will also be constructed to help meet peak instantaneous demands of the service area. The purpose of this project is to meet anticipated growth and the effects of increase usage over time.

The Johnson/Robinson Force Main and Gravity Sewer Project includes the construction of a force main from the current Johnson Pump Station to the Robinson Pump Station. This project is a continuation of improvements to enhance conveyance and capacity of sanitary sewage flows from the southern portions of the City and Johnson north for ultimate treatment and disposal at the System's wastewater treatment facilities. While this project calls for the installation of an additional force main between the two lift stations, it also includes the installation of additional gravity sewers to enhance capacity for areas of the City and Johnson. These improvements in conjunction with current improvements under construction will help attenuate flows from the area to minimize systems overloading during rainfall.

The proceeds of the Bonds are estimated to be expended by the City as follows:

SOURCES:*	
Principal Amount of Bonds	$58,580,000
Original Issue Premium	1,418,027
Total Sources	$59,998,027
USES:*	
Project Costs	$59,330,000
Underwriters' Discount and Costs of Issuance	668,027
Total Uses	$59,998,027

The payment of Underwriters' discount and the costs of issuing the Bonds relating to the payment of professional fees will be contingent on the Bonds being issued. See **MISCELLANEOUS,** Underwriting for a description of the Underwriters' discount. The Underwriters will also be reimbursed certain costs of closing and delivering the Bonds.

The City will deposit the net proceeds of the Bonds (principal amount plus any original issue premium, less any original issue discount, Underwriters' discount, certain issuance costs and other miscellaneous costs), into a special fund in the Trustee designated "2025 Water and Sewer Construction Fund" (the "Construction Fund"). Moneys contained in the Construction Fund will be disbursed by the Trustee solely in payment of costs of the Project, paying necessary expenses incidental thereto and paying expenses of issuing the Bonds. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the Bond proceeds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE**, Investments.

Security. The Bonds are not general obligations of the City but are special obligations, equally and ratably secured by a pledge of System revenues. The pledge of System revenues in favor of the Bonds is on a parity with the pledge of System revenues in favor of the 2006 Bond, the 2022A Bond and the 2022B Bond (collectively, the "Parity Bonds"). The Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE** herein.

The City may issue additional bonds on a parity of security with the Bonds. See **THE AUTHORIZING ORDINANCE**, Additional Parity Bonds.

No Debt Service Reserve. There is no debt service reserve securing the Bonds.

Impact Fees. The City has enacted Impact Fees pursuant to the Impact Fees Ordinance adopted on November 26, 2024. The Impact Fees apply to new developments served or benefitted by the water and sewer improvements that are a part of the Western Corridor Water Main Project and the Johnson/Robinson Force Main and Gravity Sewer Project.

* Preliminary; subject to change.

No water meter shall be installed or wastewater connection made in the served or benefitted developments until the applicable Impact Fees have been paid to the City. These one-time fees are based on meter size and are as follows:

Meter Size	Water	Wastewater
5/8" x 3/4"	$ 4,712	$ 1,154
1"	7,869	1,927
1-1/2"	15,690	3,843
2"	25,113	6,150
3"	50,274	12,312
4"	78,544	19,236
6"	157,041	38,460

The Impact Fees shall be deposited as and when collected into a special account of the City. **The Impact Fees and the moneys in the special account are not pledged as security for the payment of debt service on the Bonds.** The Impact Fees may be used at the option of the City for one or more of the following purposes:

(a) to acquire or construct the water improvements that are a part of the Western Corridor Transmission Main Project;

(b) to acquire or construct the sewer improvements that are a part of the Johnson/Robinson Force Main and Gravity Sewer Project;

(c) to pay scheduled debt service on the Bonds or to redeem the Bonds prior to maturity;

(d) to pay fees to an independent qualified professional, who is not an employee of the Springdale Water and Sewer Commission or the City, for the preparation or updating of the capital plan for the Western Corridor Transmission Main Project and the Johnson/Robinson Force Main and Gravity Sewer Project; and

(e) to make refunds pursuant to the Impact Fees Ordinance.

THE CITY AND THE COUNTY

Location. The City is located in northwest Arkansas, approximately 200 miles northwest of Little Rock, Arkansas and 93 miles east of Tulsa, Oklahoma. The City lies in Washington and Benton Counties with the vast majority of the City's population located in Washington County (the "County").

Population. According to the United States Department of Commerce, Bureau of the Census, population trends of the City and the County are as follows:

Year	City	% Increase	County	% Increase
1960	10,076	--	55,797	--
1970	16,783	66.56	77,370	38.66
1980	23,458	39.77	100,494	29.89
1990	29,941	27.64	113,409	12.85
2000	45,798	52.96	157,715	39.07
2010	69,797	52.40	203,065	28.80
2020	84,161	20.58	245,871	21.08
2023	88,224	4.83	261,549	6.38

Transportation. The City is served by U.S. Highway Nos. 62, 71 and 412, State Highway Nos. 12, 264 and 265 and Interstate No. 49. The City is served by the Springdale Municipal Airport which offers charter service. The Northwest Arkansas Regional Airport, located in nearby Highfill, offers commercial service by American Airlines, United Airlines, Delta Airlines, Frontier Airlines, Allegiant Air, and Breeze Airways.

Government. The City has the Mayor-City Council form of government, under which the City is governed by a City Council and a Mayor. The Mayor is elected for a four-year term (current term expires December 31, 2028) and members of the City Council serve staggered four-year terms. Four City Council members have terms that expire on December 31, 2026 and four City Council members have terms that expire on December 31, 2028. The current Mayor and members of the City Council and their occupations are as follows:

Name	Occupation/Employer
Doug Sprouse	Mayor
Brian Powell	Arkansas Department of Transportation
Randall Harriman	Banker
Mike Overton	Realtor
Aaron Huntley	Banker
Jeff Watson	Lawyer
Mike Lawson	Fazt Lube Tire
Amelia Williams	Homemaker
Mark Fougerousse	Safety Manager

Medical Facilities. The City is primarily served by two hospitals: (i) Northwest Medical Center, which is a 222-bed acute care facility and (ii) Arkansas Children's Northwest, which is an approximately 233,613 square foot children's hospital.

Financial Institutions. The City is served by United Bank and Legacy Bank and by branches of Arvest Bank, Bank of America, N.A., Bank OZK, Centennial Bank, Chambers Bank, First Horizon Bank, First National Bank, First Security Bank, First Western Bank, Partners Bank, Signature Bank of Arkansas, Today's Bank, Simmons Bank and Today's Bank.

Education. Primary and secondary education for the inhabitants of the City are provided by a public school system. The University of Arkansas is located 7 miles away in Fayetteville. Northwest Arkansas Community College is located 18 miles from the City in Bentonville, Arkansas and has a branch in the City.

Economy. The following are the major industrial employers within the City:

Employer	Product/Service	Number of Employees
Tyson Foods, Inc.	Poultry processing	6,600
George's Inc.	Poultry processing	3,100
Cargill, Inc.*	Protein processing	1,100
Multi-Craft Contractors	Fabrication, machine building	700
Kawneer Company	Aluminum extrusion	530
Rockline Industries	Moist towelettes	400
Cram-A-Lot	Recycle equipment	350
Newly Weds Foods	Baking products	260
Rise Baking Co.	Baking products	240
Pratt & Whitney	Aerospace and defense	225
Brunner & Lay	Mining and construction tools	180
MoistureShield/AERT	Fabrication, building products	135

*Cargill, Inc. has announced plans to close its processing plant on August 1, 2025.

Litigation. There is no material litigation pending or threatened against the City that would materially adversely affect the financial condition of the City.

Economic Data. Per capita personal income estimates for the County are as follows for the years indicated:[1]

Year	Per Capita Personal Income
2019	$40,511
2020	44,898
2021	49,529
2022	50,623
2023	51,797

Total personal income estimates for the County are as follows for the years indicated:[1]

Year	Total Personal Income
2019	$9,821,318,000
2020	11,079,622,000
2021	12,469,886,000
2022	12,993,890,000
2023	13,547,450,000

Set forth below are the annual average unemployment rates for the City, the County and the State since 2020 according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate (%)		
Year	City	County	State
2020	4.5	4.7	6.2
2021	2.8	2.9	4.0
2022	2.1	2.2	3.2
2023	2.2	2.3	3.3
2024*	2.2	2.2	3.1

*Preliminary as of November 2024.

THE SYSTEM

General. The System, consisting of water and sewer utilities, is owned by the City and operated under the direct control of the Springdale Water and Sewer Commission (the "Commission"). There is currently one vacancy on the Commission. The names and occupations of members of the Commission and the year in which their terms expire are as follows:

Name	Occupation	Term Expires
Chris Weiser	CEO, JV Manufacturing	March 6, 2029
Lynn Carver	Retired	March 6, 2027
J. Max Van Hoose	President, Harps Foods	March 6, 2033
Derek Gibson	COO, Legacy Bank	March 6, 2028

Operation and management of the System is provided by a utility staff under the direction of an Executive Director. Heath Ward currently serves as the Executive Director of the System, a position he has held for twelve (12) years.

[1] Source: Bureau of Economic Analysis, U.S. Department of Commerce; data for 2024 is not yet available.

The System employs approximately 124 persons. The names and positions of the key employees and how long each has served in such capacity are set forth below:

Name	Position	Time Served in Position
Heath Ward	Executive Director	12 years
Rick Pulvirenti	COO/Director of Engineering	30 years
Kim Patulak	CAO/Director of Human Resources	5 years
Chris Clark	Director of Finance	5 years
Shawn Dorman	Distribution Director	24 years
Jennifer Enos	Wastewater Facility Director	17 years
Jeff Glasgow	Technical Services Director	< 1 year

Water System. The City purchases potable water from the Beaver Water District of Benton and Washington Counties, Arkansas (the "District"). The District provides high service pumping equipment capable of suppling water at a maximum rate in excess of 35 MGD. Water is conveyed to the customers of the System through three major pipelines with diameters of 48", 36" and 24" to storage located on Fitzgerald Mountain. There are three primary plane storage reservoirs with a total volume of 25 million gallons. The distribution system is comprised of over 718 miles of pipeline ranging in diameter from 2" to 48". There are approximately 5,343 public fire hydrants in the System.

Currently there are approximately 38,973 water users. The year end number of water users by category for each of the past five (5) fiscal years ended September 30 is as follows:

Year	Residential	Commercial	Industrial	Total
2024	35,673	3,268	32	38,973
2023	34,949	3,208	32	38,189
2022	34,567	3,124	32	37,723
2021	34,362	2,954	32	37,348
2020	33,781	2,940	32	36,753

The average daily water use in gallons, the maximum daily water use in gallons and the total water use for the year in gallons for each of the past five (5) fiscal years ended September 30 are as follows:

Year	Average Daily Water Use in Gallons	Maximum Daily Water Use in Gallons	Total Water Use for Year in Gallons
2024	21,685,000	29,342,000	7,936,545,000
2023	20,827,000	29,331,000	7,602,440,000
2022	18,915,000	28,717,000	6,909,377,000
2021	17,689,000	26,566,000	6,457,505,000
2020	17,334,000	24,367,000	6,346,302,000

Sewer System. The System is the largest collection and conveyance system in the State and conveys sanitary waste through over 2,350,000 feet of gravity sewer and over 189,000 feet of force main. The System serves the City, parts of the City of Lowell, Arkansas and parts of the City of Johnson, Arkansas. All waste is conveyed to the Springdale Wastewater Treatment Facility (the "Treatment Facility") for ultimate treatment and disposal. The current treatment works consist of a headworks screening facility, followed by a grit and grease removal facility, then to influent pumping facilities and flow equalization. Biological treatment is provided by a Bardenpho process including one set of two 5-stage Bardenpho trains and one set of two 3-stage Bardenpho trains. Final clarification is provided as well as chemical treatment and sand filtration before chlorine disinfection, reaeration and disposal. The proceeds of the 2022A Bonds are being used to finance improvements to the Treatment Facility.

Currently there are approximately 32,243 sewer users. The number of sewer users by category for each of the past five (5) fiscal years ended September 30 is as follows:

Year	Residential	Commercial	Industrial	Total
2024	29,422	2,789	32	32,243
2023	28,748	2,709	32	31,486
2022	28,337	2,684	32	31,053
2021	28,198	2,530	32	30,760
2020	27,778	2,418	32	30,228

Franchise Agreements. The Commission has entered into the following contracts to provide water and sewer service to the following entities:

Entity	Date of Agreement	Contract Expiration Date	Type of Contract	Description
Lowell	08/29/2000[1]		Water	Franchise Service
Lowell	08/21/2013[2]	08/21/2028	Sewer	Franchise Service
Johnson	05/11/2016	05/11/2036	Water	Franchise Service
Johnson	05/11/2016	05/11/2036	Sewer	Franchise Service
Elm Springs	05/20/1975	Unlimited	Water	Franchise Service

[1] The contract dated August 29, 2000 replaced a contract dated January 18, 1973.
[2] The contract dated August 21, 2013 amended a contract dated October 11, 2005. The October 11, 2005 contract replaced a contract dated February 16, 1989.

The City has provided water service to the residents of Bethel Heights through a franchise arrangement with Bethel Heights since 1975. Bethel Heights was annexed into the City in 2020. The City now provides water and sewer service to the customers located in the former Bethel Heights area.

Largest Users of System. The following users of the System accounted for more than 5% of gross System revenues for the fiscal year ended September 30, 2024:

Company	Percentage of Total Gross System Revenues (%)	Average Dollar Amount Per Month
Cargill Processing*	10.8	$403,055
Wilson Foods (Tyson)	8.4	312,228
George's Processing	7.8	289,776

The following were the top five users of the System for the fiscal year ended September 30, 2024:

1. Cargill Processing*
2. Wilson Foods (Tyson)
3. George's Processing
4. George's Debone
5. Tyson Poultry

*Cargill, Inc. has announced plans to close its processing plant on August 1, 2025. The plant opened in 1965 and currently employs approximately 1,100 persons. According to the Staff of the System, the loss of Cargill Processing as a customer is expected to result in an annual revenue loss, net of expenses, of $2,900,000. For the five year period ending September 30, 2029, the net revenue loss is expected to be $11,800,000. Although there will be a net revenue loss to the System, known capital expenditures will be either deferred indefinitely or deferred for 10 years due to capacity gains. The staff of the System estimates that this will result in approximately $18,900,000 in capital savings and cash flow gains of approximately $7,100,000 by the end of the fiscal year ending September 30, 2029.

Litigation. There is no litigation pending, or to the knowledge of the City, threatened against the System in which claims of damages are made which, individually or in the aggregate, would have a material adverse effect on the operation of the System or the System revenues.

Capital Improvement Plans. The Commission had studies prepared in 2024 that identified water and sewer improvements that needed to be made to the System for the five year period ending September 30, 2029.

The study for wastewater treatment plant facilities estimates that the City will need to expend approximately $31,750,000 on capital improvements to the wastewater treatment plant facilities in the next five years. Such costs will be funded with System revenues or future bond issues.

The study for the sewer collection facilities estimates that the City will need to expend approximately $123,500,000 on capital improvements to the sewer collection facilities over the next five years. The sewer collection improvements include the Johnson/Robinson Force Main and Gravity Sewer Project at an estimated cost of $13,165,000. That project will be funded with proceeds of the Bonds, the Impact Fees and available System revenues. The other capital improvements will be funded with System revenues and future bond issues.

The study for the water facilities estimates that the City will need to expend approximately $83,500,000 on capital improvements to the water facilities during the next five years. The water improvements include the Western Corridor Transmission Main Project at an estimated cost of $52,000,000. That project will be funded with proceeds of the Bonds, Impact Fees and available System revenues. The other capital improvements will be funded with System revenues and future bond issues.

Rates. On November 26, 2024, the City Council adopted Ordinance No. 6021 increasing sewer rates and Ordinance No. 6022 increasing water rates. The rate increases are effective for water and sewer services billed after January 1, 2025. See Exhibit B for a schedule of the new water and sewer rates. The water rates shown in Exhibit B do not apply to contracts for the sale of bulk water to neighboring communities and utilities operating public water systems, except where the contracts specifically incorporate the schedule of rates set forth in Exhibit B.

THE AUTHORIZING ORDINANCE

The Bonds are being issued and secured pursuant to the Authorizing Ordinance to which reference may be had in its entirety for a detailed statement of its provisions, the description set forth below being a summary of certain provisions. The City will covenant as set forth below in the Authorizing Ordinance.

Rates and General Covenants to Operate. The rates charged for services of the System heretofore fixed by ordinances of the City and the conditions, rights and obligations pertaining thereto, as set out in those ordinances, are confirmed and continued.

The City covenants that the rates shall never be reduced while any of the Bonds are outstanding unless there is obtained from an independent certified public accountant ("Accountant") a certificate that the net revenues of the System (net revenues being defined as gross revenues less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted government accounting standards applicable to municipal water and sewer systems other than depreciation, interest and amortization of deferred bond discount expenses), with the reduced rates, will always be equal to the amount required to be set aside for the Depreciation Fund (described below) and leave a balance equal to at least 110% of the maximum annual principal and interest requirements on all outstanding bonds to which System revenues are pledged ("System Bonds"). The City further covenants that the rates shall, if and when necessary, from time to time, be increased in such manner as will produce net revenues at least equal to 110% of the maximum annual principal and interest requirements on all System Bonds, to provide the required deposit into the

Depreciation Fund and to otherwise comply with the Authorizing Ordinance and all ordinances authorizing System Bonds.

The System shall be continuously operated as a revenue producing undertaking. All moneys received from its operation shall be deposited in such depository or depositories for the City as may be lawfully designated from time to time by the City or the Commission, subject, however, to the giving of security as now or as hereafter may be required by law, and provided that such depositories shall hold membership in the Federal Deposit Insurance Corporation ("FDIC").

Funds and Disposition of Revenues. (a) All revenues derived from the operation of the System shall be paid into a special fund heretofore created and designated "Water and Sewer Fund" (the "Revenue Fund"). Moneys in the Revenue Fund are pledged and shall be applied to the payment of the reasonable and necessary expenses of operation and maintenance of the System, to the payment of the principal of and interest on the Bonds and other System Bonds, to the maintenance of any debt service reserves at the required levels, and to the providing of an adequate depreciation fund and otherwise as described herein and in the ordinances authorizing the Parity Bonds, in the order of priority hereinafter set forth.

(b) There shall be paid from the Revenue Fund into a fund heretofore created and designated "Water and Sewer Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), on the first business day of each month, an amount sufficient to pay the operating expenses and to make reasonable provision for maintenance of the System for such month and from which disbursements shall be made only for those purposes. Fixed annual charges such as insurance premiums and the cost of major repair and maintenance expenses may be computed and set up on an annual basis, and one twelfth (1/12) of the amount thereof may be paid into the Operation and Maintenance Fund each month.

If any surplus shall be accumulated in the Operation and Maintenance Fund over and above the amount which shall be necessary to defray the costs of operation and maintenance of the System during the remainder of the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred to the Revenue Fund.

(c) After making the monthly deposit in the Operation and Maintenance Fund, there shall be transferred from the Revenue Fund, pro rata, into the bond fund being maintained in connection with the Parity Bonds and any additional parity bonds (the "Parity Bond Funds") and into a special fund to be established with the Trustee and designated the "2025 Water and Sewer Bond Fund" (the "Bond Fund"), the sums in the amounts and at the times described below. The obligation to make the required monthly deposits into the Bond Fund and the Parity Bond Funds shall rank on a parity of security.

There shall be paid into the Parity Bond Funds the required monthly deposits pursuant to the ordinances securing the Parity Bonds and additional parity bonds.

There shall be paid into the Bond Fund on the first business day of each month, commencing in May 2025, until all outstanding Bonds, with interest thereon, have been paid in full or provision made for such payment, a sum equal to 1/6 of the next installment of interest on the Bonds plus 1/12 of the next installment of principal of the Bonds; provided, however, the payments shall be adjusted through August 2025 to 1/3 of the principal of and interest on the Bonds due September 1, 2025.

The City shall also pay into the Bond Fund such additional sums as necessary to provide the Trustee's fees and expenses and any arbitrage rebate payment due to be paid to the United States Treasury under Section 148(f) of the Code. The City shall receive a credit against monthly deposits from the Revenue Fund into the Bond Fund from all interest earnings on moneys in the Bond Fund and any deposits of Impact Fees into the Bond Fund made by the City designated to pay scheduled debt service.

The City shall have the option to deposit, from time to time, Impact Fees into the Bond Fund with instructions to the Trustee to either (1) use such deposit to redeem Bonds prior to maturity or (2) to credit the Impact Fees against the monthly Bond Fund payment obligations from the Revenue Fund to the extent of the deposit amount.

The Trustee shall withdraw from the Bond Fund on the due date for the principal and/or interest on any Bond, at maturity or redemption prior to maturity, an amount equal to the amount of such Bond and interest due thereon for the sole purpose of paying the same, together with the Trustee's fee and expenses. There shall also be withdrawn and paid to the United States Treasury any arbitrage rebate due at the times and in the amounts required by Section 148(f) of the Code. No withdrawal of funds from the Bond Fund shall be made for any other purpose except as otherwise authorized in the Authorizing Ordinance.

(d) After making the required deposits into the Operation and Maintenance Fund, the Bond Fund and the Parity Bond Funds and after paying the servicing fee in connection with the 2022B Bond, there shall be paid from the Revenue Fund into a fund heretofore created and designated "Water and Sewer Depreciation Fund" (the "Depreciation Fund"), on the first business day of each month the following: (1) an amount equal to 6% of the gross Revenues for the preceding month in months in which the Depreciation Fund has less than $305,408.30; or (2) an amount equal to 5% of the gross Revenues for the preceding month in months in which the Depreciation Fund has $305,408.30 or more. The moneys in the Depreciation Fund shall be used solely for the purpose of paying the cost of repairs or replacements made necessary by the depreciation of the System or for the purpose of paying the costs of damage caused by unforeseen catastrophes.

If in any fiscal year a surplus shall be accumulated in the Depreciation Fund over and above the amount which shall be necessary to defray the cost of the probable replacements during the then current fiscal year and next ensuing fiscal year, and which in the judgment of the City is not needed for replacements, such surplus shall be transferred into the Revenue Fund.

(e) Any surplus in the Revenue Fund after making all disbursements and providing for all funds described above may be used, at the option of the City, for payment of debt service on bonds secured by a pledge of revenues subordinate to the pledge in favor of the Bonds or for any lawful purpose in connection with the System.

Additional Parity Bonds. So long as any of the Bonds are outstanding, the City shall not issue or attempt to issue any bonds claimed to be entitled to a priority of lien on the revenues of the System over the lien securing the Bonds.

The City may issue additional bonds to finance or pay the cost of making any future extensions, betterments or improvements to the System or to refund System Bonds. However, the City shall not authorize or issue any such additional bonds ranking on a parity of security with the Bonds, unless and until there shall have been procured and filed with the City Clerk and the Trustee a statement by an Accountant not in the regular employ of the City or the Commission reciting, based upon necessary investigation, that (1) net revenues of the System for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds shall equal not less than 110% of the maximum annual principal and interest requirements on all of the then outstanding System Bonds and the additional bonds then proposed to be issued or (2) net revenues of the System for the fiscal year next succeeding the fiscal year in which it is proposed to issue such additional bonds, including net revenues to be derived from any extensions, betterments and improvements to be constructed out of the proceeds of the additional bonds then proposed to be issued, as reflected by a statement by an independent consulting engineer not in the regular employ of the City or the Commission ("Engineer"), and taking into account any rate increase effective before the issuance of the additional bonds, will equal not less than 110% of the maximum annual principal and interest requirements on all then outstanding System Bonds and the additional bonds then proposed to be issued. The term "net revenues" means gross revenues of the System less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted accounting principles applicable to municipal water and sewer

facilities, excluding depreciation, interest and amortization of deferred bond discount expenses. In making the computation set forth in (1) above, the City, and the Accountant on behalf of the City, may, based on the opinion or report of an Engineer, treat any increase in rates for the System effective subsequent to the first day of such preceding fiscal year as having been in effect throughout such fiscal year and may include in net revenues for such fiscal year the amount that would have been received, based upon such opinion or report, had the increase been in effect throughout such fiscal year.

Accounts and Records. The City will keep proper books of accounts and records (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the operation of the System, and such books shall be available for inspection by the registered owner of any of the Bonds at reasonable times and under reasonable circumstances. The City agrees to have these records audited by an Accountant at least once each year, and a copy of the audit shall be delivered to the Trustee and made available to registered owners requesting the same in writing. In the event that the City fails or refuses to make the audit, the Trustee or any registered owner of the Bonds may have the audit made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

Maintenance; Insurance. The City covenants and agrees that it will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. While any of the Bonds are outstanding, the City agrees, to the extent comparable protection is not otherwise provided to the satisfaction of the Trustee, that it will insure and at all times keep insured, in the amount of the full insurable value thereof, in a responsible insurance company or companies selected by the Commission and authorized and qualified under the laws of the State to assume the risk thereof, properties of the System, to the extent that such properties would be covered by insurance by private companies engaged in similar types of businesses, against loss or damage thereto from fire and other perils included in extended coverage insurance in effect in the State. The insurance policies are to carry a clause making them payable to the Trustee as its interest may appear, and satisfactory evidence of said insurance shall be filed with the Trustee. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall be deposited to the credit of the Revenue Fund, and if such proceeds shall be insufficient for such purposes the deficiency shall be supplied first from moneys in the Depreciation Fund and second from moneys in the Operation and Maintenance Fund and third from surplus moneys in the Revenue Fund. Nothing shall be construed as requiring the City to expend any moneys for operation and maintenance of the System or for premiums on its insurance which are derived from sources other than the operation of the System, but nothing shall be construed as preventing the City from doing so.

Defeasance. Any Bond shall be deemed paid within the meaning of the Authorizing Ordinance when payment of the principal of and interest on such Bond, either (i) has been made or caused to be made in accordance with the terms thereof, or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) direct non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America ("Investment Securities") (provided that such deposit will not affect the tax exempt status of the interest on any of the Bonds or cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

On the payment of any Bonds within the meaning of the Authorizing Ordinance the Trustee will hold in trust, for the benefit of the owners of such Bonds, all such moneys and/or Investment Securities.

When all the Bonds shall have been paid within the meaning of the Authorizing Ordinance and if the Trustee has been paid its fees and expenses and if any arbitrage rebate due the United States Treasury has been paid or provided for to the satisfaction of the Trustee, the Trustee will take all appropriate action to cause (i) the pledge and lien of the Authorizing Ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to the Authorizing Ordinance and which are not required for the payment of such Bonds to be paid over or delivered to or at the direction of the City. In determining the sufficiency of the deposit of Investment Securities there will be considered the principal amount of such Investment Securities and interest to be earned thereon until the maturity of such Investment Securities.

Defaults and Remedies. (a) If there be any default in the payment of the principal of or interest on any of the Bonds, or if the City defaults in any Bond Fund requirement or in the performance of any of the other covenants contained in the Authorizing Ordinance, the Trustee may and upon the written request of the registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding shall, by proper suit, compel the performance of the duties of the officials of the City under the laws of the State. And in the case of a default in the payment of the principal of and interest on any of the Bonds, the Trustee may, and upon the written request of registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding shall, apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the City and the registered owners of the Bonds with power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation, maintenance and repair and to pay any Bonds and interest outstanding and to apply the System revenues in conformity with the laws of the State and with the Authorizing Ordinance. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the City.

(b) No registered owner of any of the outstanding Bonds shall have any right in any manner whatever by his action to affect, disturb or prejudice the security of the Authorizing Ordinance, or to enforce any right thereunder, unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the registered owners of not less than ten percent (10%) in principal amount of all the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such power or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted to the Trustee, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are, at the option of the Trustee, conditions precedent to the execution of any remedy. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of all registered owners of the outstanding Bonds and any individual rights of action or other right given to one or more of such registered owners by law are restricted by the Authorizing Ordinance to the rights and remedies therein provided.

(c) No remedy conferred upon or reserved to the Trustee or to the registered owners of the Bonds is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Authorizing Ordinance or by law.

(d) The Trustee may, and upon the written request of the registered owners of not less than fifty percent (50%) in principal amount of the Bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provisions of the Authorizing Ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

(e) In any proceeding to enforce the provisions of the Authorizing Ordinance, the Trustee or any plaintiff Bondholder shall be entitled to recover costs of such proceeding, including reasonable attorneys' fees.

Amendment of Authorizing Ordinance. The terms of the Authorizing Ordinance constitute a contract between the City and the owners of the Bonds and no variation or change in the undertaking set forth in the Authorizing Ordinance shall be made while any of the Bonds are outstanding, except as hereinafter set forth. The Trustee may consent to any variation or change in the Authorizing Ordinance in order to cure any ambiguity, defect or omission therein or any amendment thereto, or any other change which in the opinion of the Trustee is not materially adverse to the interests of the owners of the Bonds, without the consent of the owners of the outstanding Bonds. The owners of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the City of a supplemental ordinance as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Authorizing Ordinance or in any supplemental ordinance; provided, however, that nothing therein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) the creation of a lien or pledge superior to the lien and pledge created by the Authorizing Ordinance, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

The Trustee. The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by the registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by giving sixty (60) days' notice in writing to the City Clerk and the registered owners of the Bonds. The majority in value of the registered owners of the outstanding Bonds or the City, so long as the City is not in default under the Authorizing Ordinance, at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, then the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk. Every successor Trustee shall be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $50,000,000. The original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it or them but only upon the terms and conditions set forth in the Authorizing Ordinance and subject to the provisions of the Authorizing Ordinance, to all of which the respective registered owners of the Bonds agree. Any successor Trustee shall have all the powers granted to the original Trustee. Notwithstanding the above, neither the removal of the Trustee nor the resignation by the Trustee shall be effective until a successor Trustee shall have been appointed.

Investments. (a) Moneys held for the credit of the Bond Fund may be invested and reinvested pursuant to the direction of the City in Permitted Investments defined in (e) below or other investments as may, from time to time, be permitted by State law, all of which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the payment date for interest or principal and interest on the Bonds.

(b) Moneys held for the credit of the Construction Fund may be invested and reinvested at the direction of the City in Permitted Investments as defined in (e) below or other investments as may, from time to time, be permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(c) Moneys held for the credit of any other fund may be continuously invested and reinvested pursuant to the direction of the City in Permitted Investments as defined in (e) below or other investments as may, from time to time, be permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

(d) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(e) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) ("Government Securities"), (ii) direct obligations of any agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) demand deposits or certificates of deposit of banks, including the Trustee, which are insured by the FDIC, or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by State law to secure public funds, or (iv) money market funds comprised exclusively of Government Securities or the obligations described in (ii) above.

Nonarbitrage. The City covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the Bonds to be subject to federal income taxation. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the Bonds and System revenues will not be used directly or indirectly in such manner as to cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code. The City covenants that it will make all arbitrage rebate payments to the United States in accordance with Section 148 of the Code.

CONTINUING DISCLOSURE AGREEMENT

During the past five years, the City has been a party to certain continuing disclosure agreements in connection with its outstanding bonds. Such agreements require the City to file annual reports with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system ("EMMA") within the time periods set forth in the agreements. The following summarizes a non-exhaustive discussion of the City's compliance with its continuing disclosure obligations over the past five years.

As part of each annual report, the City has been obligated to file the audited financial statements of the City's general purpose funds and the audited financial statements of the City's Water and Sewer Commission (the "Commission"). If filed later than the date the annual report that year is due, the audited financial statements must be filed within 30 days of receipt thereof.

The audited financial statements of the City for the years ended December 31, 2020 and 2021 were timely filed. The audited financial statements of the City for the year ended December 31, 2022 was not required to be filed. The audit of the City's financial statements for the years ended December 31, 2023 and 2024 have not yet been completed.

The audited financial statements of the Commission were first due for the fiscal year ended September 30, 2022. Audited financial statements of the Commission for the years ended September 30, 2022, 2023 and 2024 have been timely filed.

The City's continuing disclosure agreements have also required that certain supplemental financial and operating data be provided as part of the annual reports. During the past five years, the City timely filed all supplemental information required by the continuing disclosure agreements that has been due.

The continuing disclosure agreements have also obligated the City to file on EMMA a notice of the occurrence of any event listed in Securities and Exchange Commission, Rule 15c2-12(b)(5)(i)(C). Included in such list are rating changes and the incurrence of financial obligations. During the past five years, the City has failed to timely file on EMMA notices of downgrades to the underlying rating of certain bonds. The City filed notices of failure to file but such notices were not filed timely. In addition, the City failed to timely file a notice of the incurrence of a financial obligation. The notice was filed approximately 315 days late. A notice of failure to file was not filed on EMMA.

Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive and reference is made to the full text of the Continuing Disclosure Agreement for a complete description of its provisions.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is executed and delivered by the City and the Trustee for the benefit of the Beneficial Owners of the Bonds and in order to assist the Underwriters in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, the Continuing Disclosure Agreement.

"Beneficial Owner" of a Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Financial Obligation" shall mean a:

(A) debt obligation;

(B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed hereunder.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Report. (a) The City shall, or cause the Dissemination Agent to, not later than 180 days after the end of the System's fiscal year (presently September 30), commencing with the report after the end of the 2025 fiscal year, provide to the MSRB, through its continuing disclosure service portal EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements of the System may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted within thirty (30) days after receipt thereof by the City.

(b) No later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if the Dissemination Agent is not the City) and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report (containing the information in 1 under Content of Annual Report, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB.

Content of Annual Report. (a) The City's Annual Report shall contain or incorporate by reference the following:

1. Information of the type set forth in this Official Statement under the caption **THE SYSTEM** with respect to (i) average daily water use in gallons, maximum daily water use in gallons and total annual water use in gallons for the preceding fiscal year and the previous four fiscal years; (ii) the water and sewer users by category for the fiscal year then ended and the four previous fiscal years; and (iii) the top five users of the System for the previous fiscal year and a statement as to which users accounted for 5% or more of System revenues for the preceding fiscal year; and

2. The financial statements of the System prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America.

(b) Any or all of the items listed in (a) above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been filed with the MSRB's internet website or submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Listed Events. (a) This caption describes the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

7. Modifications to rights of security holders, if material.

8. Bond calls (excluding mandatory sinking fund redemptions), if material.

9. Defeasances and tender offers.

10. Release, substitution, or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the City.

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) After the occurrence of a Listed Event (excluding a Listed Event described in (a)(8) above), the City shall promptly notify the Dissemination Agent (if other than the City) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding a Listed Event described in (a)(8) above), the City shall file, or cause the Dissemination Agent to file, in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Trustee (if the Trustee is not the Dissemination Agent). Each notice of the occurrence of a Listed Event shall be captioned "Notice of Material Event" and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in subsection (a)(8), the Trustee shall make the filing in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event.

Termination of Reporting Obligation. The City's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Bonds.

Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

Amendment; Waiver. Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Trustee may amend the Continuing Disclosure Agreement, and any provisions of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Bonds in the same manner as provided in the Authorizing Ordinance for amendments to the Authorizing Ordinance with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason of the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of the City, the Trustee or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, the Trustee, the City or any Beneficial Owner may (and the Trustee, at the request of the Underwriters or the Beneficial Owners of at

least 25% aggregate principal amount of outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Authorizing Ordinance, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Trustee and Dissemination Agent and Right of Indemnity. The Dissemination Agent (if other than the City or the Trustee) and the Trustee shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Underwriters and the Beneficial Owners and shall create no rights in any other person or entity.

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FINANCIAL INFORMATION

Set forth in Exhibit A to this Official Statement are the audited financial statements of the System for the fiscal years ended September 30, 2024 and 2023. Such financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America. The financial statements as of September 30, 2024 and 2023 and for the years then ended have been audited by Forvis Mazars, LLP, independent auditors, as stated by its report appearing therein. The notes set forth in Exhibit A are an integral part of the financial statements, and the statements and the notes should be read in their entirety. Forvis Mazars, LLP has not been engaged to perform and has not performed any procedures on the financial statements for the years ended September 30, 2024 and 2023 since the date of its report thereon. Forvis Mazars, LLP will complete a parity letter for the Bonds but no procedures have or will be performed relating to this Official Statement.

The following is a summary of the audited financial statements of the System for the fiscal years ended September 30, 2020 through 2024:

	Fiscal Years Ended September 30				
	2024	2023	2022	2021	2020
Operating Revenues	$46,482,086	$43,620,707	$40,675,376	$38,331,431	$34,442,509
Operating Expenses	(31,234,792)	(29,199,748)	(26,491,485)	(23,846,500)	(22,997,755)
Operating Income (Before Depreciation and Amortization)	15,247,294	14,420,959	14,183,891	14,484,931	11,444,754
Depreciation and Amortization	(10,566,129)	(10,041,902)	(9,698,096)	(9,370,945)	(9,445,906)
Non-Operating Revenue (Expenses)	3,470,516	1,650,922[1]	(964,895)	371,592	975,204
Net Income	$8,151,681	$6,029,979	$3,520,900	$5,485,578	$2,974,052

[1] Excludes $6,000,000 of grant revenue.

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DEBT SERVICE COVERAGE

The following table shows the historical net revenues available for debt service on the Bonds and the Parity Bonds with and without the expected decrease in net revenues as a result of the Cargill Processing Plant closure, the amount of maximum annual debt service expected to be due on the Bonds and the Parity Bonds, and the extent to which debt service is covered by such funds.

	Historical 2024	Adjusted for Cargill Plant Closure
Operating Revenues[1]	$46,482,086	
Less: Operating Expenses[1]	(31,234,792)	
Net Revenues Available for Debt Service[A][2]	15,247,294	$12,347,294
Maximum Annual Debt Service for the Bonds and the Parity Bonds[B][3]	8,633,125	8,633,125
Debt Service Coverage[A/B]	1.77x	1.43x

[1]Based on the audited financial statements of the System for the fiscal year ended September 30, 2024. Operating expenses are total expenses before depreciation, interest and bond amortization expenses.
[2]Net System revenues are expected to decline approximately $2,900,000 a year as a result of the Cargill Processing plant closure announced for August 1, 2025. Taking into account the estimated loss, the net revenue amount for September 30, 2024 would decrease to approximately $12,347,294.
[3]Using a fiscal year ending September 30; assuming an average coupon rate of 4.20% for the Bonds.

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DEBT SERVICE REQUIREMENTS

Set forth below are the debt service requirements for the Bonds for each year ending September 30:

Year (Ending September 30)	Principal*	Interest	Total Debt Service
2025	$1,000,000		
2026	1,665,000		
2027	1,750,000		
2028	1,840,000		
2029	1,930,000		
2030	2,025,000		
2031	2,125,000		
2032	2,235,000		
2033	2,345,000		
2034	2,460,000		
2035	2,585,000		
2036	2,715,000		
2037	2,825,000		
2038	2,935,000		
2039	3,055,000		
2040	3,175,000		
2041	3,305,000		
2042	3,435,000		
2043	3,570,000		
2044	3,715,000		
2045	3,865,000		
2046	4,025,000		
TOTALS	$58,580,000		

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* Preliminary; subject to change.

Set forth below are the debt service requirements for the Bonds and the Parity Bonds for the following years ending September 30:

Year (Ending September 30)	Bonds	2006 Bond	2022A Bonds	2022B Bond*	Total
2025		$328,875	$3,923,725	$216,362	
2026		305,375	3,923,725	216,362	
2027			3,927,975	216,362	
2028			3,925,975	216,362	
2029			3,924,375	216,362	
2030			3,928,575	216,362	
2031			3,928,175	216,362	
2032			3,928,175	216,362	
2033			3,928,375	216,362	
2034			3,923,575	216,367	
2035			3,923,775		
2036			3,923,575		
2037			3,926,000		
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
TOTALS					

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* These amounts show annual debt service on the 2022B Bond as originally scheduled. The 2022B Bond was purchased by the Arkansas Development Finance Authority ("ADFA") as part of the State Clean Water Revolving Loan Fund. The 2022B Bond is a draw down bond and not all of the proceeds will be drawn down to complete the project financed by the 2022B Bond. The City and ADFA will be agreeing to a revised debt service schedule with only the principal amount drawn down being repaid plus interest only on the unpaid principal. This will result in lower annual payments than the amounts shown above.

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Bonds, or questioning or affecting the legality of the Bonds or the proceedings and authority under which the Bonds are to be issued, or questioning the right of the City to adopt the Authorizing Ordinance or to issue the Bonds.

Legal Opinions. Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel.

Tax Exemption. In the opinion of Bond Counsel, interest on the Bonds under existing law (a) is excluded from gross income for federal income tax purposes under Section 103 of the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the federal alternative minimum tax on certain corporations. The opinions set forth the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Bonds and the System. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements in the Authorizing Ordinance.

Prospective purchasers of the Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (ii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Bonds.

Prospective purchasers of the Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner's interest expense allocated to interest on the Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code).

In the further opinion of Bond Counsel, under existing law, the interest on the Bonds is exempt from all State income taxes and the Bonds are exempt from property taxation in the State.

Current or future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. Recent legislative proposals include provisions that would limit the amount of exclusions (including tax-exempt interest) and deductions available to certain high income taxpayers. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

As shown on the cover page of this Official Statement, certain of the Bonds are being sold at a premium (the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of a Premium Bond callable prior to its maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of a Premium Bond should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

As shown on the cover page of this Official Statement, certain of the Bonds are being sold at an original issue discount (collectively, the "Discount Bonds"). The difference between the initial public offering prices, as set forth on the cover page, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption, or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield of maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of the Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

MISCELLANEOUS

Enforceability of Remedies. Rights of the registered owners of the Bonds and the enforceability of the remedies available under the Authorizing Ordinance may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to

the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Authorizing Ordinance resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Underwriting. Stephens Inc. and Crews & Associates, Inc., the Underwriters, have agreed, subject to certain conditions precedent, to purchase the Bonds from the City at an aggregate purchase price of $_____ (principal amount plus original issue premium of $_____ less an Underwriters' discount of $_____). The Underwriters are committed to purchase all of the Bonds if any are purchased.

The Bonds are being purchased by the Underwriters for reoffering in the normal course of the Underwriters' business activities. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment accounts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Underwriters.

Rating. S&P Global Ratings ("S&P") will assign its municipal bond rating of "AA-" (stable outlook) to the Bonds. Any explanation of such rating may only be obtained from S&P. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such ratings, once assigned, will remain for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change or withdrawal of the rating assigned to the Bonds by S&P may have an adverse effect on the market price of the Bonds. The Underwriters and the City have undertaken no responsibility after issuance of the Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Information in the Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement on behalf of the City has been authorized by the City.

CITY OF SPRINGDALE, ARKANSAS

By _____
Mayor

Dated: As of the Cover Page hereof.

EXHIBIT A

Audited Financial Statements of the System
for the Fiscal Years Ended September 30, 2024 and 2023

City of Springdale, Arkansas Water and Sewer Commission

A Component Unit of the City of Springdale, Arkansas

Annual Comprehensive Financial Report

Years Ended September 30, 2024 and 2023

Springdale WATER UTILITIES

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City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
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September 30, 2024 and 2023

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Introductory Section

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City of Springdale, Arkansas Water and Sewer Commission
Administration and Finance Department
526 Oak Avenue – Springdale, Arkansas 72764
Phone (479) 751-5751 – Fax (479) 750-4039

To the Citizens of the City of Springdale and Members of the Board of Commissioners:

The Annual Comprehensive Financial Report (ACFR) of the City of Springdale, Arkansas Water and Sewer Commission (the Commission) for the years ended September 30, 2024 and 2023, is submitted in accordance with State statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

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

The Commission's financial statements have been audited by **Forvis Mazars, LLP**, a firm of licensed independent certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the financial statements of the Commission as of and for the fiscal years ended September 30, 2024 and 2023. The independent auditor's report is presented as the first component of the financial section of this report.

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

The Commission is governed by a five-member Board of Commissioners who are appointed for eight-year terms. Any vacancies are filled with an affirmative vote by the remainder of the Water and Sewer Commissioners and approved by the City Council of the City of Springdale, Arkansas (the City). The Commission provides services to customers in the City and certain surrounding areas. The City Council approves the rates changes of the Commission. The debt of the Commission, as reflected in the Commission's Statement of Net Position, is issued in the name of the City of Springdale, Arkansas. The Commission receives no financial benefit from the City; however, the City has the ability to impose its will on the Commission. Therefore, the City is financially accountable for the Commission, which is included as a discretely presented component unit in the City's financial statements. The Commission is organized as an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business; where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges. The Commission has been authorized to adopt such rules and regulations as it deems necessary and expedient for the proper operation and management of the City's water and wastewater systems.

The Commission is a highly efficient non-profit municipal corporation established to provide adequate and dependable water and sanitary wastewater services to the City of Springdale and surrounding partner municipalities consistent with good business practices. Each of these services are delivered directly to a wide spectrum of individuals, companies, governmental entities and non-profit organizations. Water service provides safe drinking water and fire protection for agricultural, commercial, industrial and residential use in the cities of Springdale, Lowell, Johnson, Elm Springs, Bethel Heights, and rural Washington and Benton Counties. Wastewater service provides environmentally sound collection and treatment of wastewater. Both services encourage growth and are the foundation of our communities.

The Commission's basic philosophy has been to provide the standard of utility services expected by the customer, subject only by limitations of operating costs and rate structure techniques designed to fund utility services at an optimum economic level to promote growth. While the costs for utility services are critical to all users, they are extremely critical to the larger commercial and industrial customers which support the local economy. Capital projects and operations of the Commission are completely funded through the rates charged for water and wastewater services provided to customers which are based on the cost of providing these services.

Since being founded in 1919 as the Waterworks Improvement District Number One and Sewer Improvement District Number One, the Commission's treatment processes, wastewater collection and water distribution infrastructure and technologies utilized have changed enormously throughout the years. On September 30, 2024, the Commission served 38,973 water accounts representing approximately 116,000 people in an approximately 138 square mile area. The Commission also serves 32,243 sewer accounts in an approximate 46 square mile service area. While the Commission continues to grow and adapt, the Commission's commitment to its customers has remained top priority.

Factors Affecting Financial Condition

Local Economy. The City of Springdale is the fourth largest city in Arkansas. The City of Springdale historically benefits from low unemployment rates. There are several major industries in Springdale, with Tyson Foods hosting their world headquarters in the City. Other major employers in Springdale include Cargill Industries, George's Inc., and Springdale Public Schools. These employers and many others draw their workforce from a population of more than 576,000 within the Fayetteville-Springdale-Rogers MSA (metropolitan statistical area).

Relevant Financial Policies

The Commission's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from other revenue (expense) items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. All revenues and expenses not meeting this definition are reported as other revenue (expense), but remain a major component of the overall revenues and expenses of the Commission.

The Commission prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

All financial activities are governed by either Arkansas statute, City ordinance, or Commission policy. The annual budget serves as the foundation for the Commission's financial planning and control. The annual budget for each year is prepared in a collaborative effort between the department directors and the finance department. The annual budget is then approved and adopted by the Commission at the September board meeting, which is prior to the new fiscal year beginning October 1.

Awards and Acknowledgements

Awards: In 2024, the Commission received the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. The Commission has received the Certificate for seven consecutive years.

In 2024, the Commission received the Governor's Award for Performance Excellence, which is the highest recognition for business excellence awarded by the State of Arkansas.

Acknowledgements: The report and information contained therein would not have been possible without the involvement of various community groups such as the Springdale Chamber of Commerce and the Northwest Regional Planning Commission. We would also like to express our appreciation to the Mayor and departments of the City of Springdale for their interest and support in the responsible planning and conducting of the financial operations of this utility.

Respectively submitted,

Chris Clark
Director of Finance

February 20, 2025

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springdale, Arkansas
Water and Sewer Commission

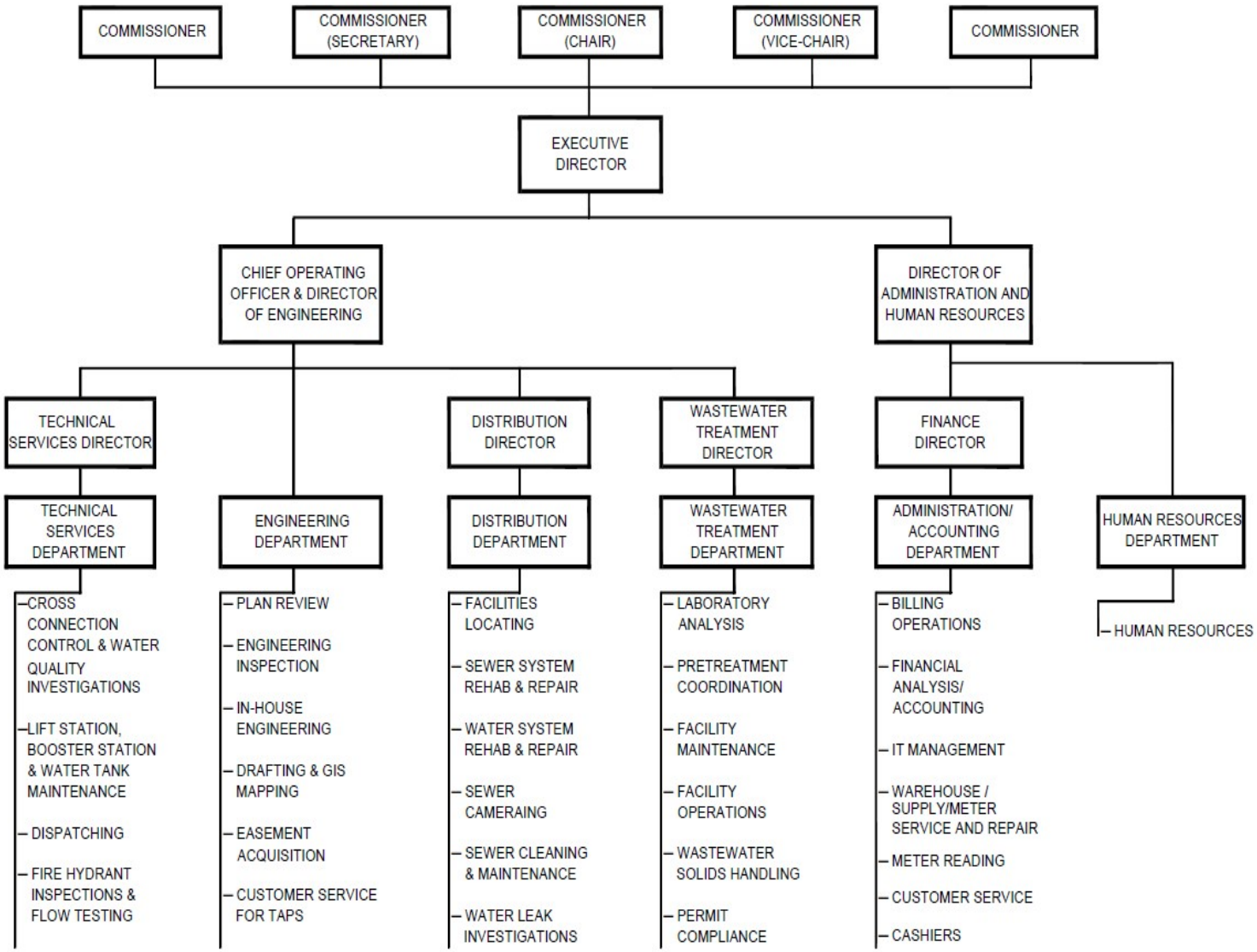
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

SPRINGDALE WATER UTILITIES ORGANIZATIONAL CHART



City of Springdale, Arkansas
Water and Sewer Commission
Management and Board of Commissioners

Members of Management

Heath Ward – Executive Director
Rick Pulvirenti – COO/Director of Engineering
Kim Patulak – Director of Administration/Human Resources
Chris Clark – Director of Finance
Shawn Dorman – Distribution Director
Jennifer Enos – Wastewater Facility Director
Tim Hawkins – Technical Services Director

Board of Commissioners

Chris Weiser – Chair
Al Hanby – Vice-Chair
Lynn Carver– Secretary/Treasurer
J. Max Van Hoose
Shane Acosta

Financial Section

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Forvis Mazars, LLP
5115 W. JB Hunt Drive
Rogers, AR 72758
P 479.845.0270 | F 479.845.0840
forvismazars.us

forvis mazars

Independent Auditor's Report

To the Board of Commissioners
City of Springdale, Arkansas Water and Sewer Commission
Springdale, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Springdale, Arkansas Water and Sewer Commission (Commission), a component unit of the City of Springdale, Arkansas, as of and for the years ended September 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Commission'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 financial position of the Commission as of September 30, 2024 and 2023 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Commission'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The schedules of revenues and expenses and operating expenses for both the water and sewer fund 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 schedules of revenues and expenses and operating expenses for both the water and sewer fund 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 schedule of cost of water sold, introductory section and statistical tables but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Forvis Mazars, LLP

Rogers, Arkansas
February 20, 2025

As management of the City of Springdale, Arkansas (City) Water and Sewer Commission (Commission), we offer readers of the Commission's financial statements this overview and analysis of the financial activities of the Commission for the years ended September 30, 2024 and 2023. The Commission is a component unit of the City and is accounted for separately as an enterprise fund.

The Commission provides water and sanitary sewer services to residential, commercial, and industrial customers in and around Springdale, Arkansas.

Financial Highlights

- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $377,086,844.
- As of the close of the current fiscal year, the Commission reported an ending net position of $377,086,844 of which $73,610,427 was unrestricted.
- At the end of the current fiscal year, unrestricted net position was $73,610,427, which is 176% of total operating expenses.
- The Commission's capital asset additions for the year were $55,203,278.

Report Layout

In addition to Management's Discussion and Analysis (MD&A), the report consists of the Commission's financial statements, notes to the financial statements, supplementary information, and other information. The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position provide information about the activities of the Commission and present a longer-term view of the Commission's finances.

One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position help answer this question. These statements include all assets, liabilities, and deferred outflows/inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These statements report the Commission's net position and changes in it. You can think of the Commission's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) as a way to measure the Commission's financial health. Over time, increases or decreases in the Commission's net position is one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other nonfinancial factors such as changes in the Commission's long range goals and the condition of the economy in which the Commission is located in order to assess its overall financial health.

Financial Highlights

	2024	2023	2022
Total current assets	$ 59,192,471	$ 65,457,979	$ 56,627,612
Total net capital assets	348,932,024	304,307,366	263,555,604
Total other assets	24,571,888	22,336,494	44,572,211
Total assets	432,696,383	408,711,681	380,567,944
Total deferred outflows of resources	70,363	42,357	56,948
Total current liabilities	11,189,247	7,969,971	7,026,650
Total long-term liabilities	44,385,258	46,686,606	48,366,105
Total liabilities	55,574,505	54,656,577	55,392,755
Total deferred inflows of resources	105,397	137,841	145,621
Net position			
Net investment in capital assets	301,661,683	275,614,814	256,212,183
Restricted	1,814,734	1,491,718	1,371,557
Unrestricted	73,610,427	76,853,088	67,502,776
Total net position	377,086,844	353,959,620	325,086,516
Total water operating revenues	25,088,174	23,658,284	22,050,281
Total sewer operating revenues	21,393,912	19,962,423	18,625,095
Total operating revenues	46,482,086	43,620,707	40,675,376
Total water nonoperating revenues	2,483,945	1,116,611	140,657
Total sewer nonoperating revenues	2,582,818	8,161,324	274,369
Total nonoperating revenues	5,066,763	9,873,260	415,026
Total revenues	53,493,967	53,493,967	41,090,402
Total water operating expenses	24,556,188	21,993,899	19,874,604
Total sewer operating expenses	17,244,733	17,247,751	16,314,977
Total operating expenses	41,800,921	39,241,650	36,189,581
Total water nonoperating expenses	-	11,329	13,245
Total sewer nonoperating expenses	1,596,247	2,163,318	287,313
Total nonoperating expenses	1,596,247	2,222,338	1,379,921
Total expenses	42,782,866	41,404,968	36,476,894
Income before capital contributions	8,151,681	12,029,979	3,520,900
Contributed capital	14,975,543	16,843,125	6,967,367
Change in net position	23,127,224	28,873,104	10,488,267
Ending net position	377,086,844	353,959,620	325,086,516

Operating revenues of the Commission for 2024 increased approximately $2,861,000 compared to 2023. The increase is attributed to an increase in rates effective October 1, 2023. Weather patterns have a significant bearing on water and sewer sales. Operating expenses of the Commission for 2024 increased approximately $2,559,000 compared to 2023 due to increased water purchases, higher labor cost, system maintenance cost, and depreciation expense of capitalized construction and equipment. Net capital assets at September 30, 2024 increased approximately $44,625,000 compared to the prior year-end largely due to current year capital asset purchases for water and sewer construction projects. Total current liabilities at September 30, 2024 increased approximately $3,219,000 compared to the prior year-end due to accounts payable for construction payments being higher than the previous year. Total long-term liabilities at September 30, 2024 decreased approximately $2,301,000 due to payments being made on existing debt. Contributed capital for 2024 decreased approximately $1,868,000 from 2023 as a result of a decrease in completed developer construction activity. The utilities net position increased approximately $23,127,000 from 2023 to 2024.

Significant capital investments were made during the year ended September 30, 2024. During the year, additions to capital projects amounted to $55,203,278. The most significant projects consisted of additions of approximately $21,462,000 for the Waste Water Treatment Facilities expansion project, approximately $2,500,00 for the Clear Creek Pump Station Upgrades, and approximately $4,248,000 for the Benton Farm Pump Station Upgrades.

Operating revenues of the Commission for 2023 increased approximately $2,945,000 compared to 2022. The increase is attributed to an increase in rates effective October 1, 2022. Weather patterns have a significant bearing on water and sewer sales. Operating expenses of the Commission for 2023 increased approximately $3,052,000 compared to 2022 due to increased water purchases, higher labor cost, system maintenance cost, and depreciation expense of capitalized construction and equipment. Net capital assets at September 30, 2023 increased approximately $40,751,762 compared to the prior year-end largely due to current year capital asset purchases for water and sewer construction projects. Total current liabilities at September 30, 2023 increased approximately $943,000 compared to the prior year-end due to accounts payable for construction payments being higher than the previous year. Total long-term liabilities at September 30, 2023 decreased approximately $1,679,000 due to payments being made on existing debt. Contributed capital for 2023 increased approximately $9,876,000 from 2022 as a result of an increase in completed developer construction activity. The utilities net position increased approximately $28,873,000 from 2022 to 2023.

Significant capital investments were made during the year ended September 30, 2023. During the year, additions to capital projects amounted to $34,377,959. The most significant projects consisted of additions of approximately $23,589,000 for the Waste Water Treatment Facilities expansion project, approximately $2,595,000 for the Clear Creek Pump Station Upgrades, and approximately $2,426,000 for the Butterfield Pump Station Upgrades.

At September 30,2024 and 2023, the Commission had $40,892,287 and $43,083,837, respectively, in bonds outstanding.

Detailed activity related to capital assets and long-term debt is disclosed within Note 4 and Note 5, respectively.

The Commission received $5,000,000 in American Rescue Plan Act grant revenue in FY2023 from the Arkansas Natural Resource Commission. The Commission additionally received $1,000,000 in principal forgiveness on the Series 2022C bonds from the Arkansas Natural Resource Commission in FY2023.

Economic Factors and Next Year's Budget

The Commission's officials considered many factors when setting the fiscal 2025 budget. Those factors include current and projected water and sewer needs of its customers along with anticipated construction and improvement projects. The Commission is committed to the continued improvement and expansion of its water and sewer system.

Financial Contact

The Commission's financial statements are designed to present users with a general overview of the Commission's finances and to demonstrate the Commission's accountability. If you have any questions about the report or need additional financial information, please contact the Commission's office at Springdale Water Utilities, 526 Oak Avenue, Springdale, Arkansas 72765.

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Statements of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 20,118,068	$ 22,337,117
Certificates of deposit	30,588,316	29,825,401
Accrued interest receivable	1,131,772	963,734
Accounts receivable	6,409,586	6,452,868
Grant receivable	-	5,000,000
Inventory	881,614	815,554
Prepaid expenses and other	63,115	63,305
Total Current Assets	59,192,471	65,457,979
Noncurrent Assets		
Restricted assets		
Cash	1,814,734	19,468,399
Certificates of deposit	2,951,947	2,868,095
Total restricted assets	4,766,681	22,336,494
Investments	19,805,207	16,609,842
Capital assets		
Capital assets – non-depreciable	83,924,838	56,394,276
Capital assets – depreciable, net	265,007,186	247,913,090
Total capital assets, net	348,932,024	304,307,366
Total Noncurrent Assets	373,503,912	343,253,702
Total Assets	432,696,383	408,711,681
Deferred Outflows of Resources		
Deferred outflows - other postemployment benefits (OPEB)	70,363	42,357

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Statements of Net Position
September 30, 2024 and 2023 **(Continued)**

	2024	2023
LIABILITIES		
Current Liabilities		
Accounts payable	$ 7,004,785	$ 4,031,614
Accrued liabilities	690,412	575,123
Compensated absences	756,262	735,113
Accrued interest	137,788	148,121
Current maturities of long-term liabilities	2,600,000	2,480,000
Total Current Liabilities	11,189,247	7,969,971
Long-Term Liabilities		
Customer deposits	2,951,947	2,843,886
Compensated absences	562,941	642,644
Other postemployment benefit liability	311,488	237,202
Long-term debt, net of current maturities	40,558,882	42,962,874
Total Long-Term Liabilities	44,385,258	46,686,606
Total Liabilities	55,574,505	54,656,577
Deferred Inflows of Resources		
Deferred inflows - other postemployment benefits (OPEB)	105,397	137,841
Net Position		
Net investment in capital assets	301,661,683	275,614,814
Restricted for capital activity	374,804	203,822
Restricted for debt service	1,117,257	974,673
Restricted for repairs and maintenance	322,673	313,223
Unrestricted	73,610,427	76,853,088
Total Net Position	$ 377,086,844	$ 353,959,620

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2024 and 2023

	2024	2023
Operating Revenues		
Sales	$ 45,068,379	$ 42,167,712
Penalties	760,077	772,074
Equipment rental	6,785	15,465
Other operating income	646,845	665,456
Total Operating Revenues	46,482,086	43,620,707
Operating Expenses		
Water supply and treatment	12,222,279	11,099,532
Water transmission and distribution	7,302,204	6,367,594
Water meter department	1,587,084	1,618,310
Sewer treatment	7,648,275	8,065,186
Sewer collection system	5,680,998	5,918,984
Master plan expense	899,745	419,051
General and administrative	6,460,336	5,752,993
Total Operating Expenses	41,800,921	39,241,650
Operating Income	4,681,165	4,379,057
Nonoperating Revenue (Expense)		
Interest income	3,762,930	3,058,995
Rental income, net of related expenses	11,911	19,234
Unrealized gain on investments	614,302	349,246
Other income	60,653	432,031
Other expenses	(68,980)	(59,020)
Gain on disposal of assets	616,967	13,754
Grant revenue	-	6,000,000
Interest and paying agent fees	(1,527,267)	(2,163,318)
Net Nonoperating Revenue (Expense)	3,470,516	7,650,922
Income Before Capital Contributions	8,151,681	12,029,979
Capital Contributions - Developers	14,975,543	16,843,125
Change in Net Position	23,127,224	28,873,104
Net Position, Beginning of Year	353,959,620	325,086,516
Net Position, End of Year	$ 377,086,844	$ 353,959,620

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Statements of Cash Flows
Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash received from customers	$ 45,111,661	$ 41,221,261
Cash received from other charges	1,413,707	1,452,995
Payments for water	(12,222,279)	(11,099,532)
Payments for salaries and benefits	(8,566,597)	(8,554,028)
Payments to suppliers for goods and services	(6,568,299)	(8,725,415)
Master plan payments	(899,745)	(419,051)
Net Cash Provided by Operating Activities	18,268,448	13,876,230
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(40,837,240)	(35,951,525)
Grant revenue	5,000,000	1,000,000
Contributed capital	609,505	2,000,987
Proceeds from sale of capital assets	629,458	-
Principal payments on bonds	(2,283,992)	(2,006,191)
Proceeds from issuance of bonds	-	773,837
Interest and paying agent fees (cash paid)	(1,537,600)	(2,247,845)
Net Cash Used in Capital and Related Financing Activities	(38,419,869)	(36,430,737)
Cash Flows From Investing Activities		
Investment income	4,209,194	2,524,066
Other nonoperating income	3,584	392,245
Proceeds from sale of certificates of deposit	33,443,172	33,698,101
Purchase of certificates of deposit	(34,289,939)	(33,862,025)
Purchase of investments	(3,195,365)	(797,325)
Increase in meter deposits	108,061	81,628
Net Cash Provided by Investing Activities	278,707	2,036,690
Net Decrease in Cash and Cash Equivalents	(19,872,714)	(20,517,817)
Cash and Cash Equivalents, Beginning of Year	41,805,516	62,323,333
Cash and Cash Equivalents, End of Year	$ 21,932,802	$ 41,805,516
Cash and Cash Equivalents, as Presented on the Statements of Net Position is as Follows		
Cash and cash equivalents	$ 20,118,068	$ 22,337,117
Restricted cash	1,814,734	19,468,399
	$ 21,932,802	$ 41,805,516

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Statements of Cash Flows
Years Ended September 30, 2024 and 2023 **(Continued)**

	2024	2023
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 4,681,165	$ 4,379,057
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	10,566,129	10,041,902
Changes in operating assets and liabilities		
Accounts receivable	43,282	(946,472)
Inventory	(66,060)	(111,015)
Prepaid expenses	(27,816)	21,463
Accounts payable	2,973,171	455,629
Accrued liabilities	98,577	35,666
Net Cash Provided by Operating Activities	$ 18,268,448	$ 13,876,230
Supplementary Disclosure of Noncash Transactions		
Contributed capital	$ 14,366,038	$ 14,842,138
Unrealized gain on investments	$ 614,302	$ 349,246

Note 1. Summary of Significant Accounting Policies

Nature of Operations

The City of Springdale, Arkansas Water and Sewer Commission (Commission) is governed by a five-member Board of Commissioners. Any vacancies are filled with an affirmative vote by the remainder of the Water and Sewer Commissioners and approved by the City Council of the City of Springdale, Arkansas (City). The Commission provides services to customers in the City and certain surrounding areas. The City Council approves the rates changes of the Commission. The debt of the Commission, as reflected in the Commission's statement of net position, is issued in the name of the City. The Commission receives no financial benefit from the City; however, the City has the ability to impose its will on the Commission. Therefore, the City is financially accountable for the Commission, which is included as a discretely presented component unit in the City's financial statements. The Commission is organized as an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges.

The Commission utilizes internal funds to account for the following activities:

Water Fund – This fund accounts for charges for water use by residents of the City and surrounding areas served, expenses for the maintenance and upgrading the water supply system, and payment of all water-related debt.

Sewer Fund – This fund accounts for charges for sewer use by the residents of the City and surrounding areas served, expenses for maintenance and upgrading the sewer system, and payments of all sewer-related debt.

Basis of Accounting and Presentation

The Commission's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from other revenue (expense) items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. All revenues and expenses not meeting this definition are reported as other revenue (expense) but remain a major component of the overall revenues and expenses of the Commission.

The Commission prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Use of Estimates

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

Cash and Cash Equivalents

The Commission considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2024 and 2023, cash equivalents consisted primarily of money market accounts with brokers.

Investments

Generally accepted accounting principles prescribed by GASB require that the Commission's investments be measured at fair value and non-negotiable CDs be measured at cost. Fair value measurements are categorized according to a hierarchy that is based on valuation inputs used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable.

Detailed information about the Commission's investments and their respective fair value measurements is provided in Note 2 to the financial statements.

Purchases and sales of investments are reported on a trade-date basis. Realized gains and losses resulting from investment sales, as well as unrealized gains and losses resulting from changes in the fair values of investments held are reported as investment income on the statements of revenues, expenses, and changes in net position. Dividends and capital gain distributions are recorded as investment income on the ex-dividend date.

Customer Accounts Receivable

Customer accounts receivable are shown net of any allowance for doubtful accounts. The allowance is based upon historical losses and a review of past due accounts. At September 30, 2024 and 2023, no allowance was recorded for doubtful accounts.

Inventories

Inventories consist of various fittings, couplings, pipe, etc., used in the customary operations of the Commission. All inventories are reported at cost. Cost is determined on the historical average basis.

Capital Assets

Capital assets are recorded at cost on the date of acquisition. Assets are depreciated on a straight-line basis over the estimated useful life of each asset as shown below. Assets with a cost greater than $5,000 are capitalized.

Assets	Years
Water System	40
Meter and Meter Equipment	10-17
Sewer System and Plant	20-50
Equipment	5-10
Office Equipment	5-12

Nonrecurring Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Commission had nonrecurring fair value measurements during 2024 and 2023 for infrastructure capital assets contributed to the Commission from developers. The noncash portion of these contributed assets are recorded at acquisition values totaling $14,366,038 and $14,842,138 for the years ended September 30, 2024 and 2023, respectively. These values are based upon the costs to construct by developers (Level 3 inputs). Contributed capital is recorded as capital contributions in the statements of revenues, expenses, and changes in net position and is depreciated over their estimated useful lives.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. The Commission has one item that qualifies for reporting in this category. The item is related to the OPEB Plan and is comprised of the differences between expected and actual experience of the total OPEB liability and changes of assumptions. These amounts will be amortized to OPEB expense over future periods as shown within Note 9.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has one item that qualifies for reporting in this category. The item is related to the OPEB Plan and is comprised of changes of assumptions. These amounts will be amortized to OPEB expense over future periods as shown within Note 9.

Net Position Classifications

Net position is classified and displayed in the following three components:

- *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted expendable net position* – Consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments.
- *Unrestricted net position* – All other net position that does not meet the definition of “net investment in capital assets” or “restricted expendable.”

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

Compensated Absences

The Commission’s policy permits employees to accumulate earned but unused vacation and sick leave benefits which are eligible for payment upon separation from Commission service. The liability for such leave is reported as incurred. Compensated absences are computed using the regular pay rate in effect at the statement of net position date.

Risk Management

The Commission is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years. Under state law, the Commission is protected by tort immunity.

The Commission maintains a medical self-insurance plan funded by the Commission and administered by a third party. The plan provides certain healthcare benefits to active and retired Commission employees. Substantially all regular, full-time Commission employees are eligible for these benefits. The Commission’s costs of providing these benefits, including premiums, are included in operating expenses. Contributions into the plan are shared between the Commission and participating employees. Retired employees may continue coverage under the Commission’s policy but must bear the cost of these contributions.

Note 2. Deposits and Investments

Deposits

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

State law requires collateralization of all deposits with federal insurance and other acceptable collateral in specific amounts. No legal opinion has been obtained regarding the enforceability of any collateral arrangement.

At September 30, 2024 and 2023, the Commission had no uncollateralized deposits.

Summary of Carrying Values

The carrying values of deposits are included in the statements of net position as follows:

	2024	2023
Carrying value		
Deposits	$ 55,469,665	$ 74,495,612
Cash on hand	3,400	3,400
	$ 55,473,065	$ 74,499,012
Included in the following statement of net position captions:		
Cash and cash equivalents	$ 20,118,068	$ 22,337,117
Certificates of deposit	30,588,316	29,825,401
Restricted cash	1,814,734	19,468,399
Restricted certificates of deposit	2,951,947	2,868,095
	$ 55,473,065	$ 74,499,012

Investments

Investments at September 30 for the Commission include the following:

	2024				
		Maturities in Years			
Type	Fair Value	Less than 1	1–5	6–10	More than 10
Unrestricted:					
U.S. agency obligations	$ 19,805,207	$ 8,208,507	$ 11,596,700	$ -	$ -
	$ 19,805,207	$ 8,208,507	$ 11,596,700	$ -	$ -

	2023				
		Maturities in Years			
Type	Fair Value	Less than 1	1–5	6–10	More than 10
Unrestricted:					
U.S. agency obligations	$ 16,609,842	$ 7,632,218	$ 8,977,624	$ -	$ -
	$ 16,609,842	$ 7,632,218	$ 8,977,624	$ -	$ -

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets and liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

The following table presents the fair value measurement of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2024 and 2023:

	2024			
Type	Fair Value	Level 1	Level 2	Level 3
Classified as Investments				
Unrestricted				
U.S. agency obligations	$ 19,805,207	$ -	$ 19,805,207	$ -
	$ 19,805,207	$ -	$ 19,805,207	$ -

	2023			
Type	Fair Value	Level 1	Level 2	Level 3
Classified as Investments				
Unrestricted				
U.S. agency obligations	$ 16,609,842	$ -	$ 16,609,842	$ -
	$ 16,609,842	$ -	$ 16,609,842	$ -

Note 3. Restricted Assets

Restricted assets are held for specific purposes as follows:

	2024	2023
Meter deposits	$ 2,951,947	$ 2,868,095
Series 2022A construction fund	-	17,976,681
Series 2022A debt service fund	808,534	718,552
ANRC depreciation fund	322,673	313,223
Lowell sewer expansion fund	374,804	203,822
Lowell sewer bond fund	308,723	256,121
	$ 4,766,681	$ 22,336,494

Note 4. Capital Assets

A summary of the changes in capital assets for the years ended September 30, 2024 and 2023 is as follows:

	Capital Assets				
	Balance 09/30/2023	Additions	Disposals	Transfers	Balance 09/30/2024
Capital assets, not being depreciated					
Land	$ 3,348,889	$ -	$ -	$ -	$ 3,348,889
Easements	5,346,352	-	(10,990)	12,855	5,348,217
Construction in progress	47,699,035	38,901,079	-	(11,372,382)	75,227,732
Total capital assets, not being depreciated	56,394,276	38,901,079	(10,990)	(11,359,527)	83,924,838
Capital assets, being depreciated					
Water mains distribution lines	166,598,660	9,843,827	-	-	176,442,487
Sewer lines	153,978,823	4,475,716	-	11,187,022	169,641,561
Meters in service	11,306,254	1,010,568	(142,547)	-	12,174,275
Structures	6,244,802	50,443	-	-	6,295,245
Vehicles	2,657,942	522,165	(28,866)	-	3,151,241
Sludge tractors and trucks	820,662	-	-	-	820,662
Rehabilitation vehicles and equipment	975,079	-	-	-	975,079
Machinery, equipment, and tools	2,193,708	364,321	(13,998)	-	2,544,031
Office furniture and equipment	1,326,565	35,159	(328,257)	172,505	1,205,972
Radio equipment	233,423	-	(45,131)	-	188,292
Sewage treatment plant	92,399,317	-	-	-	92,399,317
Total capital assets, being depreciated	438,735,235	16,302,199	(558,799)	11,359,527	465,838,162
Less accumulated depreciation for					
Water mains distribution lines	66,453,944	3,988,508	-	-	70,442,452
Sewer lines	49,313,516	3,065,643	-	-	52,379,159
Meters in service	6,381,348	691,574	(142,547)	-	6,930,375
Structures	4,959,503	194,986	-	-	5,154,489
Vehicles	2,432,325	163,071	(28,866)	-	2,566,530
Sludge tractors and trucks	497,761	45,056	-	-	542,817
Rehabilitation vehicles and equipment	870,810	32,293	-	-	903,103
Machinery, equipment, and tools	1,436,670	142,293	(13,998)	-	1,564,965
Office furniture and equipment	1,176,534	78,114	(326,755)	-	927,893
Radio equipment	194,706	11,368	(45,132)	-	160,942
Sewage treatment plant	57,105,028	2,153,223	-	-	59,258,251
Total accumulated depreciation	190,822,145	10,566,129	(557,298)	-	200,830,976
Capital assets being depreciated, net	247,913,090	5,736,070	(1,501)	11,359,527	265,007,186
Total capital assets	$ 304,307,366	$ 44,637,149	$ (12,491)	$ -	$ 348,932,024

	Capital Assets				
	Balance 09/30/2022	Additions	Disposals	Transfers	Balance 09/30/2023
Capital assets, not being depreciated					
Land	$ 3,348,889	$ -	$ -	$ -	$ 3,348,889
Easements	5,333,167	6,950	-	6,235	5,346,352
Construction in progress	14,027,654	34,377,959	-	(706,578)	47,699,035
Total capital assets, not being depreciated	22,709,710	34,384,909	-	(700,343)	56,394,276
Capital assets, being depreciated					
Water mains distribution lines	157,722,778	8,501,250	-	374,632	166,598,660
Sewer lines	147,031,137	6,692,829	-	254,857	153,978,823
Meters in service	10,697,407	578,596	-	30,251	11,306,254
Structures	6,244,802	-	-	-	6,244,802
Vehicles	2,680,982	-	(23,040)	-	2,657,942
Sludge tractors and trucks	820,662	-	-	-	820,662
Rehabilitation vehicles and equipment	975,079	-	-	-	975,079
Machinery, equipment, and tools	1,953,565	203,601	(4,061)	40,603	2,193,708
Office furniture and equipment	1,282,348	53,560	(9,343)	-	1,326,565
Radio equipment	203,821	29,602	-	-	233,423
Sewage treatment plant	92,050,001	349,316	-	-	92,399,317
Total capital assets, being depreciated	421,662,582	16,408,754	(36,444)	700,343	438,735,235
Less accumulated depreciation for					
Water mains distribution lines	62,706,342	3,747,602	-	-	66,453,944
Sewer lines	46,428,762	2,884,754	-	-	49,313,516
Meters in service	5,765,196	616,152	-	-	6,381,348
Structures	4,764,640	194,863	-	-	4,959,503
Vehicles	2,319,149	136,216	(23,040)	-	2,432,325
Sludge tractors and trucks	452,705	45,056	-	-	497,761
Rehabilitation vehicles and equipment	802,073	68,737	-	-	870,810
Machinery, equipment, and tools	1,311,696	129,035	(4,061)	-	1,436,670
Office furniture and equipment	1,125,799	60,078	(9,343)	-	1,176,534
Radio equipment	185,056	9,650	-	-	194,706
Sewage treatment plant	54,955,269	2,149,759	-	-	57,105,028
Total accumulated depreciation	180,816,687	10,041,902	(36,444)	-	190,822,145
Capital assets being depreciated, net	240,845,895	6,366,852	-	700,343	247,913,090
Total capital assets	$ 263,555,605	$ 40,751,761	$ -	$ -	$ 304,307,366

Note 5. Long-Term Liabilities

Changes in long-term liabilities for the years ended September 30, 2024 and 2023 consisted of the following:

	Balance at 09/30/2023	Increases	Decreases	Balance at 09/30/2024	Due Within One Year
Bonds payable					
Revenue Bonds, Series 2006	$ 880,000	$ -	$ 285,000	$ 595,000	$ 300,000
Revenue Bonds, Series 2022A	41,430,000	-	2,195,000	39,235,000	2,300,000
Revenue Bonds, Series 2022B	785,087	277,200	-	1,062,287	-
Bond premium	2,347,787	-	81,192	2,266,595	-
Total bonds payable	45,442,874	277,200	2,561,192	43,158,882	2,600,000
Compensated absences	1,377,757	968,319	1,026,874	1,319,203	756,262
Other postemployment benefits	237,202	31,700	(42,586)	311,488	-
Customer deposits	2,843,886	108,061	-	2,951,947	-
Total long-term debt	$ 49,901,719	$ 1,385,280	$ 3,545,480	$ 47,741,520	$ 3,356,262

	Balance at 09/30/2022	Increases	Decreases	Balance at 09/30/2023	Due Within One Year
Bonds payable					
Revenue Bonds, Series 2006	$ 1,155,000	$ -	$ 275,000	$ 880,000	$ 285,000
Revenue Bonds, Series 2022A	43,080,000	-	1,650,000	41,430,000	2,195,000
Revenue Bonds, Series 2022B	11,250	773,837	-	785,087	-
Bond premium	2,428,978	-	81,191	2,347,787	-
Total bonds payable	46,675,228	773,837	2,006,191	45,442,874	2,480,000
Compensated absences	1,305,620	980,177	908,040	1,377,757	753,113
Other postemployment benefits	248,615	30,548	41,961	237,202	-
Customer deposits	2,843,886	81,628	-	2,843,886	-
Total long-term debt	$ 51,073,349	$ 1,866,190	$ 2,956,192	$ 49,901,719	$ 3,233,113

Water and Sewer Revenue Bonds

In August 2006, the Commission issued $3,600,000 in Revenue Bonds (Series 2006) at an average rate of 5.0% to finance improvements to the sewer facilities. The bonds mature in fiscal year 2026 with principal and interest payments due in March and September of each year. As of September 30, 2024 and 2023, the outstanding principal was $595,000 and $880,000, respectively.

In April 2022, the Commission issued $43,080,000 in Revenue Bonds (Series 2022A) at an average rate of 4.45% to finance improvements to the sewer facilities. The bonds mature in fiscal year 2037 with principal and interest payments due in March and September of each year. As of September 30, 2024 and 2023, the outstanding principal was $39,235,000 and $41,430,000, respectively.

In July 2022, the Commission issued $2,054,083 in Revenue Bonds (Series 2022B) at an annual lending rate of 1.00% to finance improvements to the sewer facilities. Draws totaled $277,200 and $785,087 as of September 30, 2024 and 2023, respectively. The remaining draws will occur as improvements are completed. Principal and interest payments are due in April and October starting in fiscal year 2025. The final payment is scheduled for April 2034.

In July 2022, the Commission issued $1,000,000 in Revenue Bonds (Series 2022C) at an annual lending rate of 1.00% to finance improvements to the sewer facilities. The Series 2022C bonds were fully drawn as of September 30, 2023. The $1,000,000 in principal drawn down as of September 30, 2023 was forgiven by the Arkansas Natural Resources Commission.

Principal and interest maturities of the Commission bonds are as follows:

	Revenue Bonds – Publicly Traded		
	Principal	Interest	Total
2025	$ 2,600,000	$ 140,875	$ 2,740,875
2026	2,710,000	131,125	2,841,125
2027	2,540,000	127,000	2,667,000
2028	2,665,000	106,600	2,771,600
2029	2,770,000	110,800	2,880,800
2030 - 2034	12,250,000	490,000	12,740,000
2035 - 2039	15,357,287	553,575	15,910,862
	$ 40,892,287	$ 1,659,975	$ 42,552,262

Note 6. Retirement Plan

The Commission provides a money purchase pension plan covering all employees who are 20 ½ years of age, completed six months of service, have been credited with 1,000 hours of service during the 12-month period beginning with the date the employee was hired, and agree to the mandatory 3% employee contribution minimum. Vesting occurs at 20% after two years of service and an additional 10% each year thereafter until the participant is 100% vested after 10 years. The employee is required to contribute at least 3% of compensation. The employer contributes 6% of compensation for all participants within the plan. The Commission's contributions for the years ended September 30, 2024 and 2023 were $352,635 and $296,415, respectively.

Note 7. Deferred Compensation Plan

Commission employees are eligible to participate in a deferred compensation plan adopted by the Commission in January 1976, and amended from time to time in compliance with Internal Revenue Service regulations. The assets are held by Jackson National Life and remain the property of the Trust until paid to the employees.

Note 8. Long-Term Contracts

A. The Beaver Water District has contracted with the U.S. Corps of Engineers for water storage rights. The Beaver Water District has contracts with the cities of Fayetteville, Springdale, Rogers, and Bentonville, Arkansas, to pay for these rights on a pro rata basis, based on the amount of water purchased.

B. The cities of Springdale, Fayetteville, Rogers, and Bentonville, Arkansas, have entered into contracts with the Beaver Water District to provide funds to acquire land and intake structure, treatment plant, transmission lines, and other capital assets. As of September 30, 2024 and 2023, the water price was $1,540 and $1,460 per million gallons, respectively. The total cost of acquiring, constructing, maintaining, operating, and expanding the facilities must be borne by the users. Adjustments, based upon audit of the Beaver Water District, for costs of operations can result in additional costs or rebates to the Commission each year. As of September 30, 2024 and 2023, the Commission purchased approximately $12,200,000 and $11,100,000, respectively, of water from the Beaver Water District.

C. Contract between the City, acting through the Commission, and the City of Lowell, Arkansas, dated August 29, 2000: The Commission agrees to operate a water distribution system with exclusive franchise to serve the City of Lowell for 20 years with the privilege of renewing the contract for additional periods of time. At the end of the 20-year period, the City of Lowell shall have the right to acquire the distribution system located within its corporate limits at the system's then-appraised value, by giving not less than six month's written notice in advance of the termination date of this contract. The water rates currently in effect for customers in the City of Lowell, Arkansas, are as follows:

Fire hydrants	$10 each per annum
Other water rates	Same as "outside city" rate for the City

D. Contract between the City, acting through the Commission, and the City of Lowell, Arkansas, dated October 11, 2005: The Commission agrees to operate a sewer system for 15 years with the privilege of renewing the contract for additional periods of time. The contract establishes the scope and timing of the construction of needed improvements to the City of Lowell sewer system, that these improvements will be funded through the issuance of revenue bonds, and the means by which the revenue bonds will be repaid. The sewer rates currently in effect for customers in the City of Lowell, Arkansas, are the same as "outside city" rate for the City, plus an additional surcharge of $9.50 minimum and $0.75 per thousand gallons usage fee to satisfy the annual payment requirements of the Series 2006 Revenue Bonds.

E. Contracts between the City, acting through the Commission, and the City of Johnson, Arkansas, dated May 11, 2016, for the sale of water and sewer service: the contracts are for 20 years with the option to renew upon terms and conditions as may be negotiated by the two parties by giving not less than six months of notice in advance of the termination of the contract. Water and sewer charges currently in effect for customers in the City of Johnson, Arkansas, are as follows:

Fire hydrants	$10 each per annum
Other water rates	Same as "outside city" rate for the City
Sewer rates	Same as "outside city" rate for the City

F. Contract between the City, acting through the Commission, and the City of Elm Springs, Arkansas, dated May 20, 1975: The Commission agrees to operate a water distribution system with exclusive franchise to serve the City of Elm Springs. The water rates charged to the customers in the City of Elm Springs are the same as the "outside city" rates of the City.

G. Contract between the City, acting through the Commission, and the City of Johnson, Arkansas, dated May 25, 2016: The Commission agrees to lease land surrounding the Johnson Lift Station for use as a park. The annual fee is approximately $80 per month, which was the amount the Commission was receiving from hay revenue previously. The original lease term runs for approximately 20 years and expires on December 31, 2036. The lease will automatically renew for a 10-year-period up to three times and may be terminated by either party with 180 days of written notice.

Note 9. Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

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

Benefits Provided: There are no direct benefits provided to the retirees under the Plan. The only benefits provided are derived from the retiree receiving a lower premium for health insurance by being allowed to stay within the group coverage under the Commission until Medicare eligibility. Retirees are responsible for 100% of the premiums once included within the Plan.

Funding Policy: The contribution requirements of plan members are established by the Commission and may be amended as needed. Retiree coverage is the same as the coverage provided to active Commission employees. For 2024 and 2023, retirees pay premiums ranging from $578 per month to $1,317 per month and $544 per month to $1,336 per month, respectively, depending on the coverage elected. The Commission's policy maintains that retirees must pay 100% of the cost of premiums. The cost of retiree healthcare benefits is financed on a pay-as-you-go basis and is recorded as an expense as liabilities are incurred.

Employees Covered by Benefit Terms: At September 30, 2024 and 2023, the following employees were covered by the benefit terms:

	2024	2023
Active participants	127	118
Retired participants	1	1
	128	119

Total OPEB Liability

The Commission's total OPEB liability as of September 30, 2024 and 2023 of $311,488 and $237,202, respectively, was measured as of September 30, 2024 and 2023 and was determined by an actuarial valuation as of October 1, 2023.

Actuarial Assumptions: The total OPEB liability in the September 30, 2024 and 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	October 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay - open group
Amortization period	7 years beginning October 1, 2023
Inflation	3.25%
Healthcare cost trend rates	Initially 8.00% and 7.50% decreasing in .50% increments over 7 and 7 years to 4.50% and 4.50% for 2024 and 2023, respectively
Salary increases	3.25% for wage inflation plus merit/productivity growth ranging from 0.42% to 6.60% depending on age of the employee. The payroll growth assumption is based on the non-state rates shown in the Arkansas Public Employee Retirement System (APERS) actuarial valuation as of June 30, 2022.

Discount Rate: The discount rate used to measure the total OPEB liability was 4.06% and 4.87%, for the years ended September 30, 2024 and 2023, respectively. As an unfunded plan, this rate was determined based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The indexes used in determining this rate include the Bond Buyer G.O. 20-Year Bond Municipal Bond Index, the S&P Municipal Bond 20-Year High Grade Rate Index ,and the Fidelity 20-Year G.O. Municipal Bond Index.

Changes in the Total OPEB Liability

	2024	2023
	Total OPEB Liability	Total OPEB Liability
Balance at Beginning of Year	$ 237,202	$ 248,615
Changes for the Year		
Service cost	19,494	18,326
Interest	12,206	12,222
Changes in assumptions	34,236	4,401
Differences between expected and actual experience	20,600	(24,664)
Benefit payments	(12,250)	(21,698)
Net Changes	74,286	(11,413)
Balance at End of Year	$ 311,488	$ 237,202

Changes of assumptions and other inputs reflect a change in the discount rate from 4.87% in 2023 and 4.06% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability for the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	September 30, 2024		
	1% Decrease 3.87%	**Discount Rate 4.87%**	**1% Increase 5.87%**
Total OPEB liability	$ 335,867	$ 311,488	$ 288,568

	September 30, 2023		
	1% Decrease 3.77%	**Discount Rate 4.77%**	**1% Increase 5.77%**
Total OPEB liability	$ 256,008	$ 237,202	$ 219,663

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability for the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the healthcare cost trend rates.

	September 30, 2024		
	1% Decrease 6.50%	**Current Health-Care Cost Trend Rate 7.50%**	**1% Increase 8.50%**
Total OPEB liability	$ 274,490	$ 311,488	$ 355,208

	September 30, 2023		
	1% Decrease 6.50%	**Current Health-Care Cost Trend Rate 7.50%**	**1% Increase 8.50%**
Total OPEB liability	$ 211,394	$ 237,202	$ 267,455

OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended September 30, 2024 and 2023, the Commission recognized OPEB expense of $26,086 and $17,096, respectively. At September 30, 2024 and 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,088	$ (77,025)
Change in assumptions	48,275	(28,372)
Total	$ 70,363	$ (105,397)

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 14,667	$ (101,026)
Change in assumptions	27,690	(36,815)
Total	$ 42,357	$ (137,841)

Amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2024 related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	
2025	$ (12,749)
2026	(15,382)
2027	(12,115)
2028	(7,555)
2029	4,935
Thereafter	7,832

Note 10. Related Party

The Commission is a component unit of the City. As of September 30, 2024 and 2023, the Commission owed the City $29,372 and $28,674, respectively, for city bulk trash revenues collected and franchise fees for sanitation services as well as a graffiti removal fee. Total amount paid was approximately $392,000 and $373,000 for the years ended September 30, 2024 and 2023, respectively.

Note 11. Commitments and Contingencies

At September 30,2024, the Commission had several construction and repair and maintenance projects in various stages of completion. Unfulfilled contract commitments of $26,398,561 and $26,218,628 remained open on the construction and improvement contracts still in progress at September 30, 2024 and 2023, respectively.

At various times, the Commission may be involved in litigation incidental to its operations. At September 30, 2024 and 2023, the only outstanding legal proceedings pertain to the valuation of easements acquired by the Commission. Based upon management's assessment, any impact to the Commission's financial statements is not expected to be material.

Note 12. Risk Management

Effective January 1, 2019, the Commission is exposed to various risks of loss related to the Commission's health benefits provided to employees and retirees and their dependents and beneficiaries. The Commission has not recognized any settlements that exceeded insurance coverage during the year. The self-insurance liability at September 30, 2024 and 2023 is as follows:

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024
Self-insurance liability	$ 127,898	$ 1,096,134	$ (1,033,846)	$ 190,186

	Balance 9/30/2022	Additions	Reductions	Balance 9/30/2023
Self-insurance liability	$ 142,761	$ 1,120,440	$ (1,135,303)	$ 127,898

Note 13. Future Accounting Pronouncements

GASB Statement No. 101, Compensated Absences

The objective of GASB Statement No. 101, *Compensated Absences*, is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. This standard is applicable for the Commission's fiscal year 2025.

Note 14. Subsequent Events

On January 28, 2025, Cargil, Inc., announced the closure of its Springdale, Arkansas, facility. This facility represents approximately 10.8% of the Commission's revenues and associated expenses. Management is still determining the potential financial impact this closure will have on future operations.

Required Supplementary Information

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Required Supplementary Information
Schedule of Changes in the Commission's Total OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 19,494	$ 18,326	$ 27,924	$ 27,842	$ 24,166	$ 20,215	$ 18,933
Interest	12,206	12,222	8,148	8,321	11,289	12,975	9,100
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	20,600	(24,664)	(40,956)	(47,230)	(24,200)	(35,385)	35,469
Changes of assumptions	34,236	4,401	(46,503)	15,303	25,978	7,217	(14,398)
Benefit payments	(12,250)	(21,698)	(14,647)	(13,902)	(8,125)	-	-
Net Change in Total OPEB Liability	74,286	(11,413)	(66,034)	(9,666)	29,108	5,022	49,104
Total OPEB Liability - Beginning	237,202	248,615	314,649	324,315	295,207	290,185	241,081
Total OPEB Liability - Ending	$ 311,488	$ 237,202	$ 248,615	$ 314,649	$ 324,315	$ 295,207	$ 290,185
Covered-Employee Payroll	$ 7,610,261	$ 7,073,323	$ 6,850,676	$ 6,613,078	$ 6,362,331	$ 5,386,565	$ 5,217,012
System's Net OPEB Liability as a Percentage of Covered-Employee Payroll	4.09%	3.35%	3.63%	4.76%	5.10%	5.48%	5.56%

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

No amounts are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Discount rates:
2024 4.06%
2023 4.87%
2022 4.77%
2021 2.43%
2020 2.41%

Healthcare cost trend rates:
Initially 8% decreasing in 0.50% increments over 7 years to 4.5% for 2024.

Salary increases:
3.25% for wage inflation plus merit/productivity growth ranging from 0.42% to 6.60% depending on age of the employee. The payroll growth assumption is based on the non-state rates shown in the Arkansas Public Employee Retirement System (APERS) actuarial valuation as of June 30, 2022 for all years presented.

Amortization Period:
2024 7 years beginning October 1, 2023
2023 7 years beginning October 1, 2022
2022 7 years beginning October 1, 2021
2021 7 years beginning October 1, 2020
2020 7 years beginning October 1, 2019

Supplementary Information

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City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Water Fund – Schedule of Revenues and Expenses
Years Ended September 30, 2024 and 2023

	2024	2023
Operating revenues		
Sales	$ 24,080,946	$ 22,583,009
Penalties	368,094	402,918
Equipment rental	3,750	10,065
Other operating income	635,384	662,292
Total operating revenues	25,088,174	23,658,284
Operating expenses		
Water supply and treatment	12,222,279	11,099,532
Water transmission and distribution	7,302,204	6,367,594
Water meter department	1,587,084	1,618,310
Master plan expense	257,899	76,984
General and administrative	3,186,722	2,831,479
Total operating expenses	24,556,188	21,993,899
Operating income	531,986	1,664,385
Nonoperating revenue		
Interest income	1,547,708	913,905
Rental income	2,901	3,000
Unrealized gain on investments	307,151	174,623
Other nonoperating income	9,218	11,329
Gain on disposal of capital assets	616,967	13,754
Net nonoperating revenue	2,483,945	1,116,611
Excess of revenues over expenses	$ 3,015,931	$ 2,780,996

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Water Fund – Schedule of Operating Expenses
Years Ended September 30, 2024 and 2023

	2024	2023
Water supply and treatment		
Water purchases	$ 12,222,279	$ 11,099,532
Water transmission and distribution		
Distribution labor	$ 1,463,064	$ 1,261,168
Pension expense	66,275	58,252
Utilities	53,760	51,797
Insurance	209,723	181,971
Depreciation	4,284,037	4,004,856
Vehicle expense	158,050	113,262
Maintenance		
Buildings and grounds	-	4,935
Mains	923,841	505,852
Storage tanks and pumps	21,352	76,703
Equipment and small tools	53,251	34,272
Materials	26,314	33,150
Other expenses	42,537	41,376
Total water transmission and distribution	$ 7,302,204	$ 6,367,594
Water meter department		
Labor	$ 612,716	$ 605,134
Pension expense	29,233	26,297
Materials	13,728	17,362
Insurance	90,789	145,488
Depreciation		
Meters	691,574	616,151
Vehicles and equipment	9,540	5,328
Vehicle expense	61,501	49,948
Maintenance		
Meters	17,580	24,105
Equipment	58,857	66,625
Other expenses	1,566	61,872
Total water meter department	$ 1,587,084	$ 1,618,310

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Water Fund – Schedule of Operating Expenses
Years Ended September 30, 2024 and 2023 **(Continued)**

	2024	2023
General and administrative		
Salaries		
Office	$ 847,959	$ 794,131
Stores and supplies	56,195	53,470
Engineering	483,541	427,779
Technical services	368,016	354,860
Payroll taxes	128,995	113,040
Technical education	134,435	104,297
Pension expense	75,178	64,186
Professional services	82,770	75,559
Depreciation – office furniture and equipment	49,292	31,208
Building maintenance	97,836	69,757
Office equipment maintenance	102,132	42,922
Insurance	259,195	238,959
Office supplies	34,278	40,425
Engineering vehicles and equipment	53,084	42,521
Printing and postage	204,671	181,538
Telephone	10,697	9,704
Office utilities	38,662	40,366
Regulatory licensing fees	-	200
Commission expenses	30,900	27,351
Other expenses	128,886	119,206
Total general and administrative	$ 3,186,722	$ 2,831,479

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City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Sewer Fund – Schedule of Revenues and Expenses
Years Ended September 30, 2024 and 2023

	2024	2023
Operating revenues		
Sewer service charges	$ 20,987,433	$ 19,584,703
Penalties	391,983	369,156
Equipment rental	3,035	5,400
Other operating income	11,461	3,164
Total operating revenues	21,393,912	19,962,423
Operating expenses		
Wastewater sewage treatment	7,648,275	8,065,186
Wastewater collection system	5,680,998	5,918,984
Master plan expense	641,846	342,067
General and administrative	3,273,614	2,921,514
Total operating expenses	17,244,733	17,247,751
Operating income	4,149,179	2,714,672
Nonoperating revenue (expense)		
Interest income	2,215,222	2,145,090
Rental income	9,010	16,234
Unrealized gain on investments	307,151	174,623
Other expenses	(68,980)	(59,020)
Grant revenue	-	6,000,000
Other income	51,435	420,702
Interest and paying agent's fees	(1,527,267)	(2,163,318)
Net nonoperating revenue (expense)	986,571	6,534,311
Excess of revenues over expenses	$ 5,135,750	$ 9,248,983

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Sewer Fund – Schedule of Operating Expenses
Years Ended September 30, 2024 and 2023

	2024	2023
Wastewater sewage treatment		
Salaries	$ 1,491,238	$ 1,440,466
Plant maintenance labor	315,481	309,177
Payroll taxes	129,717	123,950
Pension expense	70,989	54,040
Chemicals and other materials	461,979	348,109
Power	1,470,390	1,891,081
Utilities	139,625	145,847
Telephone	2,602	3,394
Insurance	364,274	352,110
Depreciation	2,248,448	2,238,509
Laboratory	67,334	48,659
Vehicle expense	85,623	76,285
Plant maintenance	161,155	254,789
Industrial monitoring	5,304	5,864
Solids handling	608,205	747,073
Miscellaneous	25,911	25,833
Total wastewater sewage treatment	$ 7,648,275	$ 8,065,186
Wastewater collection system		
Salaries	$ 1,127,702	$ 1,153,766
Payroll taxes	415	3,183
Pension expense	35,782	29,377
Utilities	308,595	345,196
Insurance	197,589	169,694
Depreciation	3,254,412	3,123,012
Vehicle and machinery	111,721	109,773
Maintenance		
Lines	149,200	563,374
Lift stations	205,035	166,602
Rehabilitation maintenance	70,864	39,943
Other expenses	219,683	215,064
Total wastewater collection system	$ 5,680,998	$ 5,918,984
Master plan expense	$ 641,846	$ 108,288

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Sewer Fund – Schedule of Operating Expenses
Years Ended September 30, 2023 and 2022 **(Continued)**

	2024	2023
General and administrative		
Salaries		
Office	$ 790,055	$ 745,241
Stores and supplies	56,976	53,359
Engineering	484,183	415,105
Technical services	335,518	330,657
Payroll taxes	118,194	111,976
Technical education	72,807	70,026
Pension expense	75,178	64,263
Professional services	297,547	253,450
Depreciation - office furniture and equipment	28,820	28,871
Other equipment and maintenance	198,786	110,394
Insurance	259,331	238,945
Office supplies	37,965	43,705
Engineering vehicles and equipment	74,792	54,497
Printing and postage	204,730	181,555
Telephone	10,887	9,944
Office utilities	36,511	39,423
Regulatory licensing fees	25,900	26,100
Commission expenses	30,888	27,351
Other expenses	134,546	116,652
Total general and administrative	$ 3,273,614	$ 2,921,514

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Statistical Section

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

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Financial Trends (Tables 1–2)

These schedules contain trend information to assist the reader in understanding how the Commission's financial performance and well-being have changed over time 37

Rates, Consumption, and Loss (Tables 3–4)

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Debt Capacity (Table 5)

This schedule presents information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future 41

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Operating Information (Tables 8-11)

These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to services the Commission provides and the activities it performs 44

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Summary of Net Position
Last Ten Years

Table 1

	2024	2023	2022	2021	2020
Net Position (1)					
Net investment in capital assets	$ 301,661,683	$ 275,614,814	$ 256,212,183	$ 255,806,961	$ 247,924,528
Restricted for capital activity and debt service	-	-	-	-	212,713
Restricted for capital activity	374,804	203,822	199,367	155,862	-
Restricted for debt service	1,117,257	974,673	866,582	175,597	-
Restricted for repairs and maintenance	322,673	313,223	305,608	-	-
Unrestricted	73,610,427	76,853,088	67,502,776	58,459,829	51,530,590
Total Net Position	$ 377,086,844	$ 353,959,620	$ 325,086,516	$ 314,598,249	$ 299,667,831

	2019	2018	2017	2016	2015
Net Position					
Net investment in capital assets	$ 236,754,216	$ 225,149,049	$ 203,233,512	$ 198,146,603	$ 199,844,013
Restricted for capital activity and debt service	-	139,483	98,245	105,522	89,751
Unrestricted	49,780,531	48,080,617	58,927,422	55,914,644	51,642,952
Total Net Position	$ 286,534,747	$ 273,369,149	$ 262,259,179	$ 254,166,769	$ 251,576,716

(1) In 2021, the Commission separated the restrictions for capital activity and debt service into two financial statement line items rather than the previously reported combined financial statement line item. Therefore, all years prior to 2021 will show the combined restricted net position in the Restricted for capital activity and debt service line item while years 2021 and forward will show separate financial statement line items.

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Summary of Revenues and Expenses
Last Ten Years

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenues										
Sales	$ 45,068,379	$ 42,167,712	$ 39,288,009	$ 36,989,737	$ 33,205,913	$ 29,575,406	$ 30,263,499	$ 29,253,521	$ 27,959,937	$ 26,588,475
Penalties	760,077	772,074	723,626	565,321	432,560	363,061	368,192	359,900	359,562	359,005
Equipment rental	6,785	15,465	20,308	16,488	13,683	16,598	24,851	6,928	12,664	15,845
Other operating income	646,845	665,456	643,433	759,885	790,353	621,401	621,715	653,181	731,958	550,048
Total Operating Revenues	46,482,086	43,620,707	40,675,376	38,331,431	34,442,509	30,576,466	31,278,257	30,273,530	29,064,121	27,513,373
Operating Expenses										
Water supply and treatment	12,222,279	11,099,532	9,742,221	8,911,357	8,757,897	8,398,605	8,185,933	7,633,999	7,223,743	6,698,574
Water transmission and distribution	7,302,204	6,367,594	5,997,759	5,662,967	5,478,259	5,298,934	5,121,211	4,920,372	4,569,454	4,322,084
Water meter department	1,587,084	1,618,310	1,508,650	1,362,311	1,270,793	1,199,790	1,144,719	1,095,544	1,048,327	979,472
Sewer treatment	7,648,275	8,065,186	7,545,541	6,951,430	6,936,942	6,375,230	6,363,831	6,082,126	5,917,339	6,252,379
Sewer collection system	5,680,998	5,918,984	5,408,603	5,086,253	5,258,404	4,547,083	4,232,926	3,814,611	3,566,155	3,442,779
Master plan expense	899,745	419,051	108,288	175,801	14,330	85,750	332	1,140	12,327	493,402
General and admin	6,460,336	5,752,993	5,878,519	5,067,326	4,727,036	4,462,786	4,037,074	3,759,679	3,671,640	3,583,804
Total Operating Expenses	41,800,921	39,241,650	36,189,581	33,217,445	32,443,661	30,368,178	29,086,026	27,307,471	26,008,985	25,772,494
Operating Income	4,681,165	4,379,057	4,485,795	5,113,986	1,998,848	208,288	2,192,231	2,966,059	3,055,136	1,740,879
Nonoperating Revenue (Expense)										
Interest income	3,762,930	3,058,995	363,758	402,929	907,499	981,737	668,796	411,192	346,755	280,430
Rental income, net of related expenses	11,911	19,234	20,768	22,271	11,881	10,497	11,180	11,011	12,561	10,959
Unrealized gain (loss) on investments	614,302	349,246	(1,054,950)	-	-	-	-	-	-	-
Other nonoperating income	60,653	432,031	13,245	-	-	-	-	-	-	-
Other expenses	(68,980)	(59,020)	(37,658)	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	616,967	13,754	17,255	25,258	53,071	1,219	48,739	9,228	17,999	(2,848)
Interest and paying agent fees	-	(2,163,318)	(287,313)	(78,866)	(90,759)	(102,328)	(113,291)	(123,717)	(133,581)	(143,016)
Grant revenue	(1,527,267)	6,000,000	-	-	-	-	-	-	-	-
Contribution to/from the City	-	-	-	-	93,512	-	-	-	(100,432)	(501,254)
Net Nonoperating Revenue (Expense)	3,470,516	7,650,922	(964,895)	371,592	975,204	891,125	615,424	307,714	143,302	(355,729)
Income Before Contributions	8,151,681	12,029,979	3,520,900	5,485,578	2,974,052	1,099,413	2,807,655	3,273,773	3,198,438	1,385,150
Contributions to/from City	-	-	-	-	39,421	-	-	-	-	-
Capital Contributions-Developers	14,975,543	16,843,125	6,967,367	9,444,840	5,681,939	3,168,128	10,528,074	7,970,564	4,893,972	1,204,903
Change in Net Position	23,127,224	28,873,104	10,488,267	14,930,418	8,695,412	4,267,541	13,335,729	11,244,337	8,092,410	2,590,053
Net Position Beginning	353,959,620	325,086,516	314,598,249	299,667,831	290,972,419	35,128,162	21,926,800	10,682,463	2,590,053	-
Adjustment for Adoption of New Standards	-	-	-	-	-	-	(134,367)	-	-	-
Net Position Ending	$ 377,086,844	$ 353,959,620	$ 325,086,516	$ 314,598,249	$ 299,667,831	$ 39,395,703	$ 35,128,162	$ 21,926,800	$ 10,682,463	$ 2,590,053
Capital Contributions as % of Change in Net Postion	65%	66%	63%	65%	65%	74%	79%	71%	60%	47%
Noncash Contributed Capital (Infrastructure)	$ 14,366,038	$ 14,842,135	$ 5,730,348	$ 9,005,625	$ 5,246,995	$ 3,010,608	$ 4,486,695	$ 6,639,160	$ 3,609,540	$ 1,050,851
% Capital Contributions as Infrastructure	96%	82%	95%	92%	92%	95%	43%	83%	74%	87%

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Water/Wastewater Rates
Last Ten Years

Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Rates										
Base up to 1,500	$ 11.20	$ 10.90	$ 10.60	$ 10.30	$ 10.00	$ 6.22	$ 6.22	$ 6.14	$ 5.99	$ 5.84
Next 23,500	4.07	3.87	3.67	3.47	3.27	3.07	3.07	3.02	2.92	2.82
Next 225,000	4.02	3.82	3.62	3.42	3.22	3.02	3.02	2.97	2.87	2.77
Next 350,000	3.92	3.72	3.52	3.32	3.12	2.92	2.92	2.87	2.77	2.67
Next 400,000	3.77	3.57	3.37	3.17	2.97	2.77	2.77	2.72	2.62	2.52
Over 1,000,000	3.60	3.40	3.20	3.00	2.80	2.60	2.60	2.55	2.45	2.35
Wastewater										
Base up to 1,500	11.20	10.90	10.60	10.30	10.00	5.43	5.43	5.35	5.20	5.05
Next 23,500	4.17	3.97	3.77	3.57	3.37	3.17	3.17	3.12	3.02	2.92
Next 225,000	4.13	3.93	3.73	3.53	3.33	3.13	3.13	3.08	2.98	2.88
Next 350,000	4.04	3.84	3.64	3.44	3.24	3.04	3.04	2.99	2.89	2.79
Next 400,000	3.91	3.71	3.51	3.31	3.11	2.91	2.91	2.86	2.76	2.66
Over 1,000,000	3.76	3.56	3.36	3.16	2.96	2.76	2.76	2.71	2.61	2.51

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Summary of Water Consumption and Loss
Last Ten Years
(In Millions)

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Consumption in Million Gallons										
City of Tontitown	13	4	1	2	97	152	138	109	96	95
Major Industry	2,026	2,005	1,905	1,878	1,877	1,876	1,876	1,914	1,876	1,846
Seasonal	358	376	385	308	283	265	356	316	346	308
Light Industry Commercial & Residential	2,871	2,809	2,772	2,706	2,637	2,605	2,668	2,622	2,577	2,502
Account for/Unbilled	1,828	1,713	954	872	576	594	385	162	62	51
Total Consumption in Million Gallons	7,096	6,907	6,017	5,766	5,470	5,492	5,423	5,123	4,957	4,802
Water Purchased	7,937	7,602	6,909	6,458	6,346	6,175	6,109	5,827	5,539	5,316
Unaccounted Water Loss	839	696	893	692	877	685	686	404	416	359
Unaccounted Water Loss %	10.57%	9.16%	12.92%	10.72%	13.82%	11.09%	11.23%	6.93%	7.51%	6.75%

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Outstanding Debt
Last Ten Years

Table 5

Fiscal Year	Debt	Max Debt Service	Operating Income	Ratio of Oper Inc to Max Debt Service	Total Customers	Total Debt Per Customer	Annual Customer Growth
2015	$ 2,740,000	$ 328,875	$ 1,740,879	5.2934	34,402	$ 80	516
2016	2,545,000	329,500	3,055,136	9.2720	35,022	73	620
2017	2,340,000	329,625	2,966,059	8.9983	35,450	66	428
2018	2,125,000	329,250	2,192,231	6.6583	35,882	59	432
2019	1,900,000	328,375	208,288	0.6343	36,268	52	386
2020	1,665,000	326,875	1,998,848	6.1150	36,753	45	485
2021	1,415,000	330,000	5,113,986	15.4969	37,348	38	595
2022	46,675,228	327,500	4,485,795	13.6971	37,723	1,237	375
2023	45,442,874	4,254,263	4,379,057	1.0293	38,189	1,190	466
2024	43,158,882	4,357,302	4,681,165	1.0743	38,973	1,107	784

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Summary of Demographic and Economic Data
Last Ten Years

Table 6

Year	(1) Population (MSA)	(2) Total Personal Income In Millions (MSA)	(2) Per Capita Personal Income (MSA)	(1) Median Household Income (MSA)	(3) Homeownership Rates (MSA)	(3) Total GDP in Millions (MSA)	(4) Unemployment Rate (MSA)
2015	$ 491,730	$ 26,967	$ 52,509	$ 50,788	57.20%	$ 21,319	4.5%
2016	503,806	29,259	55,729	51,848	56.28%	21,878	3.7%
2017	515,616	31,939	59,425	56,038	61.00%	22,927	2.9%
2018	525,239	34,354	65,306	57,911	61.10%	23,482	2.8%
2019	534,904	36,251	67,771	61,674	61.40%	23,863	2.8%
2020	548,634	38,451	70,085	61,761	60.70%	25,224	2.6%
2021	560,709	39,583	70,594	66,565	61.60%	33,103	3.6%
2022	576,403	43,197	74,943	73,364	61.90%	37,749	2.4%
2023	590,337	52,596	89,095	77,695	65.90%	40,776	2.2%
2024	Not Avail	Not Avail	Not Avail	Not Avail	Not Avail	Not Avail	2.5%

(1) U.S. Census Bureau
(2) Arkansas Department of Workforce Services
(3) Federal Reserve Economic Data
(4) U.S. Bureau of Labor Statistics

MSA: Metropolitan Statistical Area

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Largest Employers
Current Year and Seven Years Ago

Table 7

	2024			2017		
Employer	**Rank**	**Employees**	**Percentage of Workforce 40,308 (1)**	**Rank**	**Employees**	**Percentage of Workforce 39,193 (1)**
Tyson Foods	1	6,600	15%	1	6,000	15%
George's Inc	2	3,100	7%	3	2,400	6%
Springdale Schools	3	3,100	7%	2	2,826	7%
Northwest Medical	4	2,200	5%	5	886	2%
Cargill	5	1,300	3%	4	1,100	3%
Multi-Craft Contractors	6	700	2%	7	600	2%
Arkansas Children's NW	7	600	1%			
Kawneer	8	530	1%	10	484	1%
Moisture Shield	9	500	1%			
Harps	10	455	1%	8	600	2%
City of Springdale, AR				9	569	1%
Walmart				6	750	2%

(1) Source: Springdale Chamber of Commerce
Per Chamber Official information was only available since 2017

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Employee Levels
Last Ten Years **Table 8**

Fiscal Year	Main Campus	Wastewater Treatment Facility Campus	Total Employees
2015	82	20	102
2016	84	22	106
2017	89	24	113
2018	89	25	114
2019	95	26	121
2020	94	26	120
2021	93	26	119
2022	94	28	122
2023	93	28	121
2024	96	28	124

Source: Internal Commission Reports

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Summary of System Highlights
Last Ten Years

Table 9

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water										
Number of Customers	38,973	38,189	37,723	37,348	36,753	36,268	35,882	35,450	35,022	34,402
Number of Water Tanks	8	8	8	8	8	8	8	8	8	8
Total Tank Capacity in Million Gallons	26	26	26	26	26	26	26	26	26	26
Estimated Feet of Water Lines	3,793,599	3,747,733	3,697,931	3,662,692	3,618,396	3,602,438	3,550,439	3,566,318	3,487,800	3,412,800
Sewer										
Maximum Designed Treatment Capacity (MGD)	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Annual Average MGD Treated	14.2	14.5	14.8	14.6	15.0	14.7	13.8	14.0	13.5	13.7
Annual Max MGD Treated	16.0	18.0	17.4	18.4	17.9	17.0	16.3	18.6	17.7	17.5
Treatment Percentage of Capacity	67%	75%	73%	77%	75%	71%	68%	78%	74%	73%
Number of Wastewater Lift Stations	30	29	27	27	26	26	26	26	26	26
Estimated Feet of Gravity Sewer	2,350,694	2,235,493	2,204,191	2,204,085	2,203,978	2,184,756	2,122,905	2,080,407	2,053,091	2,028,091
Estimated Feet of Sewer Force Mains	189,071	188,889	186,141	183,546	177,208	175,859	151,764	156,745	150,466	145,466

Source: Various internal Commission Reports

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Capital Asset Summary
Last Ten Years

Table 10

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assets, Not Being Depreciated										
Land	$ 3,348,889	$ 3,348,889	$ 3,348,889	$ 3,348,889	$ 3,348,889	$ 3,273,889	$ 3,273,889	$ 2,988,263	$ 2,988,263	$ 3,088,695
Easements	5,348,217	5,346,352	5,333,167	5,329,647	5,328,472	5,288,472	4,341,928	4,086,495	4,008,190	3,639,426
Construction in Progress	75,227,732	47,699,035	14,027,654	23,840,969	19,539,829	21,308,572	23,910,458	23,524,320	6,680,729	5,608,306
Total Assets, Not Being Depreciated	83,924,838	56,394,276	22,709,710	28,217,190	29,870,933	31,526,275	30,599,078	13,677,182	12,336,427	13,373,061
Assets, Being Depreciated										
Farm Property	-	-	-	-	-	-	-	-	10,659	10,659
Water Mains Distribution Lines	176,442,487	166,598,660	157,722,778	151,979,078	147,451,322	142,713,876	136,513,425	130,963,449	121,949,277	114,594,895
Sewer Lines	169,641,561	153,978,823	147,031,137	144,313,814	138,169,579	130,985,838	118,432,394	109,919,133	106,473,003	103,511,340
Meters in Service	12,174,275	11,306,254	10,697,407	10,243,702	9,436,901	8,805,619	8,297,607	8,103,682	7,991,391	7,333,962
Structures	6,295,245	6,244,802	6,244,801	5,873,217	5,798,996	5,793,246	5,774,766	5,768,416	5,768,416	5,757,464
Vehicles	3,151,241	2,657,942	2,680,982	2,696,997	2,492,764	2,388,649	2,217,425	2,087,669	1,827,201	1,727,159
Sludge Tractors and Trucks	820,662	820,662	820,662	820,662	370,102	370,102	370,102	438,891	438,891	438,891
Rehabilitation Vehicles and Equipment	975,079	975,079	975,079	975,079	975,079	965,229	940,959	836,583	836,583	721,210
Machinery, equipment, and tools	2,544,031	2,193,708	1,953,565	1,799,212	1,492,912	1,414,022	1,389,577	1,319,585	1,239,023	1,150,798
Office Furniture and Equipment	1,205,972	1,326,565	1,282,348	1,252,298	1,262,112	1,178,129	1,130,044	1,116,054	1,076,581	1,054,607
Radio Equipment	188,292	233,423	203,821	193,824	187,772	186,685	182,131	182,131	164,322	152,873
Sewer Treatment Plant	92,399,317	92,399,317	92,050,001	75,714,754	75,656,886	75,566,820	75,527,508	70,803,907	70,655,225	70,468,665
Total Assets, Being Depreciated	465,838,162	438,735,235	421,662,581	395,862,637	383,294,425	370,368,215	350,775,938	331,539,500	318,430,572	306,922,523
Total Accumulated Depreciation	200,830,976	190,822,144	180,816,687	171,160,181	161,922,087	152,509,979	143,422,997	134,649,529	126,329,242	118,372,347
Net Capital Assets	$ 348,932,024	$ 304,307,367	$ 263,555,604	$ 252,919,646	$ 251,243,271	$ 249,384,511	$ 237,952,019	$ 210,567,153	$ 204,437,757	$ 201,923,237

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Bad Debt Write-Offs
Last Ten Years **Table 11**

Year	Sales	Write-Offs Water	Write-Offs Wastewater	Total	Write-Offs / Sales
2015	$ 25,873,669	$ 17,606	$ 26,197	$ 43,803	0.17%
2016	26,588,475	13,798	24,852	38,650	0.15%
2017	27,959,937	14,943	20,925	35,868	0.13%
2018	29,253,521	16,953	19,795	36,748	0.13%
2019	30,263,499	18,646	28,680	47,326	0.16%
2020	29,575,406	19,574	25,160	44,734	0.15%
2021	33,205,913	37,488	45,284	82,772	0.25%
2022	36,989,737	34,816	56,657	91,473	0.25%
2023	39,288,009	33,914	54,902	88,816	0.23%
2024	45,068,379	24,274	44,845	69,119	0.15%

Sources: Various internal Commission Reports

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Other Information

City of Springdale, Arkansas Water and Sewer Commission
A Component Unit of the City of Springdale, Arkansas
Water Fund – Schedule of Cost of Water Sold
Last Eight Years

	2017	2018	2019	2020	2021	2022	2023	2024
Water purchased (in thousand gallons)	5,827,480	6,108,940	6,175,445	6,346,302	6,457,475	6,909,377	7,602,440	7,936,545
Water sales	$ 15,955,026	$ 16,412,069	$ 16,021,307	$ 18,108,073	$ 19,638,013	$ 21,009,632	$ 22,583,009	$ 24,080,946
Per thousand gallons	$ 2.7379	$ 2.6866	$ 2.5944	$ 2.8533	$ 3.0411	$ 3.0407	$ 2.9705	$ 3.0342
Operating cost								
Supply and treatment	$ 7,633,999	$ 8,185,933	$ 8,398,605	$ 8,757,897	$ 8,911,357	$ 9,742,221	$ 11,099,532	$ 12,222,279
Per thousand gallons	1.3100	1.3400	1.3600	1.3800	1.3800	1.4100	1.4600	1.5400
Transmission, distribution system, and meter	6,015,916	6,265,930	6,498,724	6,749,052	7,025,278	7,506,409	7,985,904	8,889,288
Per thousand gallons	1.0323	1.0257	1.0523	1.0635	1.0879	1.0864	1.0504	1.1200
General and administrative	1,959,273	2,095,518	2,279,515	2,395,428	2,566,788	2,625,974	2,831,479	3,186,722
Per thousand gallons	0.3362	0.3430	0.3691	0.3775	0.3975	0.3801	0.3724	0.4015
Bad debts	14,943	16,953	18,647	19,574	37,488	34,816	33,913	24,274
Per thousand gallons	0.0026	0.0028	0.0030	0.0031	0.0058	0.0050	0.0045	0.0031
Total operating cost	$ 15,624,131	$ 16,564,334	$ 17,195,491	$ 17,921,951	$ 18,540,911	$ 19,909,420	$ 21,950,828	$ 24,322,563
Cost per thousand gallons	$ 2.6811	$ 2.7115	$ 2.7845	$ 2.8240	$ 2.8712	$ 2.8815	$ 2.8873	$ 3.0646

EXHIBIT B
WATER AND SEWER RATES

WATER RATES

For each thousand gallons or portion thereof furnished to users, exclusive of seasonal water metered separately, the following rates shall apply to the amount of water used:

Inside City:		1/01/25	10/01/25	10/01/26	10/01/27	10/01/28
Minimum	1,000 Gallons	$13.20	$14.80	$16.40	$16.70	$17.00
Next	24,000 Gallons	4.37	4.67	4.97	5.27	5.57
Next	225,000 Gallons	4.32	4.62	4.92	5.22	5.52
Next	350,000 Gallons	4.22	4.52	4.82	5.12	5.42
Next	400,000 Gallons	4.07	4.37	4.67	4.97	5.27
All Over 1,000,000 Gallons		3.90	4.20	4.50	4.80	5.10

Outside City:		1/01/25	10/01/25	10/01/26	10/01/27	10/01/28
Minimum	1,000 Gallons	$14.95	$16.55	$18.15	$18.45	$18.75
Next	24,000 Gallons	4.72	5.02	5.32	5.62	5.92
Next	225,000 Gallons	4.62	4.92	5.22	5.52	5.82
Next	350,000 Gallons	4.47	4.77	5.07	5.37	5.67
Next	400,000 Gallons	4.32	4.62	4.92	5.22	5.52
All Over 1,000,000 Gallons		4.02	4.32	4.62	4.92	5.22

For each thousand gallons of water or portion thereof furnished to users who are outside City limits and within the service area previously serviced by the White River Rural Water Association:

Outside City:	1/01/25	10/01/25	10/01/26	10/01/27	10/01/28
Minimum 1,000 Gallons	$21.80	$23.40	$25.00	$25.30	$25.60
Next 4,000 Gallons	5.47	5.77	6.07	6.37	6.67
Next 5,000 Gallons	5.22	5.52	5.82	6.12	6.42
Next 10,000 Gallons	4.97	5.27	5.57	5.87	6.17
All Over 1,000,000 Gallons	4.72	5.02	5.32	5.62	5.92

For each seasonal meter a minimum charge shall be billed for monthly service based upon the customer's meter size.

Meter Size	Inside City	Outside City
5/8" x 3/4"	$ 3.50	$ 4.50
1"	4.00	5.50
1-1/2"	5.50	8.00
2"	8.00	13.00
3"	11.50	20.00
4"	19.00	36.00
6"	38.00	75.00

In addition to the minimum monthly charge for seasonal water service, the following rates shall be charged for each thousand gallons of water or portion thereof measured through a seasonal meter.

	1/01/25	10/01/25	10/01/26	10/01/27	10/01/28
Inside City	$ 4.34	$ 4.64	$ 4.94	$ 5.24	$ 5.54
Outside City	4.64	4.94	5.24	5.54	5.84

SEWER RATES

The following charges shall be based on water metered, or approved direct sewer meters, for each Domestic and Industrial User, except as otherwise specifically provided. The gallonage of sewage collected and treated shall be based on water metered to each Domestic and Industrial User, exclusive of seasonal water and other water uses metered separately which do not directly or indirectly discharge flows into the System. Direct sewer meters may also provide monthly treatment if approved in advance by the City. A "Domestic User" is defined as a user whose wastewater from residential property flows into and is treated by the System. An "Industrial User" is defined as a user whose liquid waste from commercial, industrial, manufacturing, processing, trade or business, except domestic waste, that flows into and is treated by the System.

Inside City:		1/01/25	10/01/25	10/01/26	10/01/27	10/01/28
Minimum	1,000 Gallons	$15.55	$19.55	$23.40	$23.70	$24.00
Next	24,000 Gallons	5.17	6.17	7.17	8.17	9.17
Next	225,000 Gallons	5.13	6.13	7.13	8.13	9.13
Next	350,000 Gallons	5.04	6.04	7.04	8.04	9.04
Next	400,000 Gallons	4.91	5.91	6.91	7.91	8.91
All Over	1,000,000 Gallons	3.96	4.16	4.36	4.56	4.76

Outside City:		1/01/25	10/01/25	10/01/26	10/01/27	10/01/28
Minimum	1,000 Gallons	$16.80	$20.80	$24.65	$24.95	$25.25
Next	24,000 Gallons	5.48	6.48	7.48	8.48	9.48
Next	225,000 Gallons	5.40	6.40	7.40	8.40	9.40
Next	350,000 Gallons	5.27	6.27	7.27	8.27	9.27
Next	400,000 Gallons	5.24	6.24	7.24	8.24	9.24
All Over	1,000,000 Gallons	4.06	4.26	4.46	4.66	4.86