

Here's what I found comparing the three Fort Smith financial documents. The most striking thing is that the **Budget Report** and the **Citizen Q1 Report** show meaningfully different FY26 budget figures for many line items. The Citizen Report describes its budget column as the "amended budget," which could explain *some* of this — but several of the gaps are very large and a few look more like errors than amendments.

### 1. Line-item budget mismatches between the Budget Report (FY26 Adopted) and the Citizen Report (FY26 Budget)

Line item	Budget Report	Citizen Report	Delta
Transit	\$4.83M	<b>\$8.61M</b>	<b>+\$3.78M (+78%) — biggest outlier</b>
Water Line Maintenance	\$7.96M	\$8.47M	+\$510K
Sewer Treatment	\$6.91M	\$7.38M	+\$470K
Utility Administration (W&S)	\$1.89M	\$1.50M	-\$390K
Parks Maintenance – Operating	\$2.23M	\$1.90M	-\$330K
Solid Waste Administration	\$1.03M	\$1.23M	+\$200K
Fire Suppression / "Suppression and Rescue"	\$13.72M	\$13.89M	+\$170K
Engineering (W&S)	\$2.22M	\$2.38M	+\$160K
Animal Services	\$1.35M	\$1.51M	+\$160K
Water Treatment	\$8.83M	\$8.95M	+\$120K
Police Support Services	\$2.21M	\$2.32M	+\$110K
Solid Waste Landfill	\$6.18M	\$6.26M	+\$80K
Police Field Operations / "Police Patrol"	\$5.91M	\$5.96M	+\$50K

The Transit one is the headline issue — a ~\$3.78M gap is too large to be a routine amendment and is worth verifying with finance.

## 2. Naming inconsistencies that could indicate mis-mapping

The same programs are labeled differently across the two reports, which makes side-by-side reconciliation error-prone:

- "Field Operations" (Budget) → "Police Patrol" (Citizen)
- "Criminal Investigations Division" → "Investigations"
- "Suppression and Rescue" → "Fire Suppression"
- "Sewer Line Maintenance" (Public Works dept.) → "Water Reclamation Maintenance" (W&S)
- "Easement, Building & Station Maintenance" (Water Resources) → "Fleet/Building/Environmental Maint"
- "Citizen Services" (Mgmt Svcs / W&S Op Fund) → "Information & Tech Services" (W&S)

A couple of these are suspicious because the dept assignment also seems to change (e.g., Sewer Line Maintenance moves from Public Works to W&S).

## 3. Citizen Q1 actuals vs. Invoices file — a \$4.1M gap on Q1 spending

- Citizen Report says total YTD expense (Jan–Mar 2026) across all four operating funds = **\$31.92M**
- Invoices file Q1 total (Jan + Feb + Mar) = **\$27.78M** (\$8.57M + \$11.84M + \$7.37M)
- Gap = **\$4.14M** that the Citizen Report claims as Q1 spend but isn't represented in paid invoices

Some of that gap is expected (payroll generally isn't paid through AP invoices), but the Citizen Report also says personnel is ~64% of GF, ~57% of Street, ~37% of W&S, ~33% of Solid Waste — meaning operating + capital spend in the Citizen Report should actually be *less* than invoices, not more. Worth confirming whether the Citizen Report's \$31.92M includes accruals or inter-fund transfers that aren't in the AP run.

## 4. Anomaly in February 2026 invoices

February jumped to \$11.84M, vs. ~\$7–8M in the other months. **The driver is a single \$2,650,829 "Prepaid Other" payment to Arkansas Municipal League.** Worth verifying that this was correctly classified as a prepayment (and thus amortized in the Q1 expense figure) rather than expensed in full.

## 5. Top vendor concentration

BANK OZK alone received **\$10.45M** (classified as Investments) — that single vendor is 29% of total payments across 4 months. Worth checking that the Citizen Report's \$349.4M treasury portfolio properly reflects whatever bond/investment activity drove those payments.

## 6. Macro figures that *do* reconcile cleanly

- W&S Debt Service: Budget Report \$19.67M = Citizen Report \$19.67M (and Q1 actual \$4.92M = 25% pacing)
- District Court of Sebastian County: \$1.98M in both
- Water Reclamation/Sewer Line Maintenance: \$5.68M in both
- Total adopted budget (\$193.49M) and the major fund/department aggregates in the Budget Report are internally consistent

**What I'm doing about it:** Asking finance to (a) confirm the Transit budget figure — \$4.83M or \$8.61M, (b) confirm whether the Citizen Report column is genuinely "amended" vs. simply restated, and (c) reconcile the \$4.14M Q1 spending gap between the Citizen Report and the AP invoices.