

City of West Memphis, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WEST MEMPHIS, ARKANSAS
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Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

City of West Memphis, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of West Memphis, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2024; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; the Statement of Revenues, Expenditures, and Change in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended; and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of West Memphis, Arkansas as of December 31, 2024; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of West Memphis, Arkansas, as of December 31, 2024, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City would have included other funds under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, these funds are not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 9, 2025
LOM109424

Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

City of West Memphis, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of West Memphis, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated October 9, 2025. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

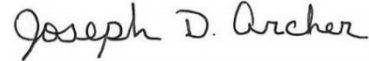
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

We also reported to management of the City in a separate letter dated October 9, 2025.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink that reads "Joseph D. Archer". The signature is written in a cursive, flowing style.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 9, 2025

Arkansas

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



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

City of West Memphis, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2024:

Mayor: Marco McClendon
Treasurer: Charles Suiter, Jr.
Finance Director: Tori Perry
City Clerk: Patricia Joplin
District Court Clerk: Terry Griffin
Police Chief: Robbin Campbell, Jr.

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 9, 2025

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 9,958,383	\$ 10,217,405	\$ 30,145,182
Accounts receivable	1,199,683	241,179	2,487,128
Interfund receivables	1,619,768	98,038	972,812
	<u>12,777,834</u>	<u>10,556,622</u>	<u>33,605,122</u>
TOTAL ASSETS	<u>\$ 12,777,834</u>	<u>\$ 10,556,622</u>	<u>\$ 33,605,122</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 787,260	\$ 29,988	\$ 1,925,883
Interfund payables	384,166	319,618	1,986,834
Settlements pending			297,729
Total Liabilities	<u>1,171,426</u>	<u>349,606</u>	<u>4,210,446</u>
Fund Balances:			
Restricted	4,203,939	10,207,016	25,352,291
Committed			29,112
Assigned	1,164,724		4,150,480
Unassigned	6,237,745		(137,207)
Total Fund Balances	<u>11,606,408</u>	<u>10,207,016</u>	<u>29,394,676</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,777,834</u>	<u>\$ 10,556,622</u>	<u>\$ 33,605,122</u>

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

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

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 371,031	\$ 2,177,706	\$ 58,968
Federal aid		21,867	4,337,128
Property taxes		213,823	1,629,477
Franchise fees	2,291,160		
Sales taxes	10,988,449	2,097,132	468,796
Fines, forfeitures, and costs	770,969		122,553
Interest and dividends	16,879	85,669	551,912
Local permits and fees	1,255,139		10,926
Sanitation fees			2,831,766
Advertising and promotion taxes			3,302,865
Emergency 911 fees			396,761
Southland breakage	79,760		
Southland gaming tax			11,171,159
Fuel and oil sales			963,375
Rentals			785,519
Donations			234,981
Other	1,492,911	3,939	136,231
TOTAL REVENUES	17,266,298	4,600,136	27,002,417
EXPENDITURES			
Current:			
General government	4,456,885		653,621
Law enforcement	13,699,348		2,477,249
Highways and streets		5,535,314	129,173
Public safety	7,023,495		1,383,855
Sanitation			3,017,245
Health	174,411		
Recreation and culture	1,136,801		8,550,443
Social services	21,139		100,755
Advertising and promotion			1,296,409
Economic development	868,252		29,803
Community development	84,337		250,309
Airport			5,376,490
Total Current	27,464,668	5,535,314	23,265,352
Debt Service:			
Bond principal			110,000
Bond interest and other charges			536,645
Financed purchase principal	40,000		1,273,264
Financed purchase interest	3,600		429,524
TOTAL EXPENDITURES	27,508,268	5,535,314	25,614,785

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

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (10,241,970)</u>	<u>\$ (935,178)</u>	<u>\$ 1,387,632</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,768,125		5,204,535
Transfers out	(4,120,000)		(11,852,660)
Contribution from utility	1,382,191		
Refund to grantor			(901,900)
Land purchase			<u>(3,498,931)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,030,316</u>		<u>(11,048,956)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,211,654)	(935,178)	(9,661,324)
FUND BALANCES - JANUARY 1	<u>13,818,062</u>	<u>11,142,194</u>	<u>39,056,000</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 11,606,408</u></u>	<u><u>\$ 10,207,016</u></u>	<u><u>\$ 29,394,676</u></u>

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

CITY OF WEST MEMPHIS, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid		\$ 371,031	\$ 371,031	\$ 2,390,000	\$ 2,177,706	\$ (212,294)
Federal aid				4,424,770	21,867	(4,402,903)
Property taxes				120,000	213,823	93,823
Franchise fees	\$ 2,450,000	2,291,160	(158,840)			
Sales taxes	11,092,300	10,988,449	(103,851)	1,500,000	2,097,132	597,132
Fines, forfeitures, and costs	550,000	770,969	220,969			
Interest and dividends		16,879	16,879	5,000	85,669	80,669
Local permits and fees	1,467,200	1,255,139	(212,061)			
Southland breakage	150,000	79,760	(70,240)			
Other	1,323,000	1,492,911	169,911	1,700,000	3,939	(1,696,061)
TOTAL REVENUES	17,032,500	17,266,298	233,798	10,139,770	4,600,136	(5,539,634)
EXPENDITURES						
Current:						
General government	4,988,639	4,456,885	531,754			
Law enforcement	13,330,783	13,699,348	(368,565)			
Highways and streets				10,136,778	5,535,314	4,601,464
Public safety	7,259,385	7,023,495	235,890			
Health	171,000	174,411	(3,411)			
Recreation and culture	690,304	1,136,801	(446,497)			
Social services	16,497	21,139	(4,642)			
Economic development	522,602	868,252	(345,650)			
Community development	140,000	84,337	55,663			
Total Current	27,119,210	27,464,668	(345,458)	10,136,778	5,535,314	4,601,464
Debt Service:						
Financed purchase principal	40,000	40,000	0			
Financed purchase interest	3,600	3,600	0			
TOTAL EXPENDITURES	27,162,810	27,508,268	(345,458)	10,136,778	5,535,314	4,601,464

CITY OF WEST MEMPHIS, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (10,130,310)</u>	<u>\$ (10,241,970)</u>	<u>\$ (111,660)</u>	<u>\$ 2,992</u>	<u>\$ (935,178)</u>	<u>\$ (938,170)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,100,000	10,768,125	668,125			
Transfers out	(3,300,000)	(4,120,000)	(820,000)			
Contribution from utility	<u>1,655,741</u>	<u>1,382,191</u>	<u>(273,550)</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,455,741</u>	<u>8,030,316</u>	<u>(425,425)</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,674,569)	(2,211,654)	(537,085)	2,992	(935,178)	(938,170)
FUND BALANCES - JANUARY 1	<u> </u>	<u>13,818,062</u>	<u>13,818,062</u>	<u> </u>	<u>11,142,194</u>	<u>11,142,194</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ (1,674,569)</u></u>	<u><u>\$ 11,606,408</u></u>	<u><u>\$ 13,280,977</u></u>	<u><u>\$ 2,992</u></u>	<u><u>\$ 10,207,016</u></u>	<u><u>\$ 10,204,024</u></u>

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

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of West Memphis was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following funds of the City would have been included in the reporting entity: West Memphis Utility and Public Facilities Board. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are not included in this report.

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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

C. Basis of Accounting – Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand, savings, and money market accounts, and certificates of deposit.

Settlements Pending

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

Fund Balance Classifications

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

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds.

G. Fund Balance Classification Policies and Procedures

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

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

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,976,452	\$ 1,977,332
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	44,007,571	45,013,734
Uninsured and uncollateralized	4,324,616	4,324,616
Total Deposits	<u>\$ 50,308,639</u>	<u>\$ 51,315,682</u>

The above total deposits do not include cash on hand of \$12,331.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The city does not have a deposit policy for custodial credit risk. As of December 31, 2024, \$4,324,616 of the City's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of federated treasury obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid		\$ 60,711	
Federal aid		21,868	\$ 940,987
Property taxes		4,585	34,942
Sales taxes	\$ 813,848	154,015	34,299
Fines, forfeitures, and costs	62,473		7,342
Local permits and fees	79,118		202
Sanitation fees			247,370
Advertising and promotion taxes			262,376
Southland gaming tax			745,324
Donations			214,286
Other	244,244		
Totals	<u>\$ 1,199,683</u>	<u>\$ 241,179</u>	<u>\$ 2,487,128</u>

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5: Accounts Payable

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

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 738,920	\$ 29,988	\$ 1,925,883
Other	48,340		
Totals	<u>\$ 787,260</u>	<u>\$ 29,988</u>	<u>\$ 1,925,883</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2024	
	Interfund Receivables	Interfund Payables
General Fund	\$ 1,619,768	\$ 384,166
Street Fund	98,038	319,618
Other Funds in the Aggregate:		
Special Revenue Funds:		
Sanitation	4,312	480,350
Library	3,181	628,298
Advertising and Promotion	5,867	56,874
Narcotics		1,742
Community Development	72,823	9,176
Emergency 911		4,316
Metropolitan Planning Organization		95,144
Special	120,174	2,995
Retirement	511,798	241,379
Airport	59,126	46,285
Industrial Development	118,924	
Youth Empow erment		265,148
American Rescue Plan Act		78,520
Capital Projects Fund:		
Capital Purchases	76,607	
Debt Service Fund:		
Debt Repayment		76,607
Totals	<u>\$ 2,690,618</u>	<u>\$ 2,690,618</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid when funds become available.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2024, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 4,704,508
Law enforcement	\$ 4,203,939		570,122
Highways and streets		\$ 10,207,016	52,256
Public safety			1,860,104
Recreation and culture			1,022,388
Social services			869
Advertising and promotion			4,319,885
Economic development			1,689,464
Community development			64,105
Airport			48,879
Police and fire retirement cost			4,850,130
Pension benefits			256,439
Capital outlay			4,254,882
Debt service			1,658,260
Total Restricted	<u>4,203,939</u>	<u>10,207,016</u>	<u>25,352,291</u>
Committed for:			
Sanitation			<u>29,112</u>
Assigned to:			
General government	500		
Law enforcement	10,909		53,413
Public safety	1,153,315		10,586
Sanitation			250,000
Recreation and culture			451,935
Economic development			7,604
Capital outlay			268,088
Debt service			3,108,854
Total Assigned	<u>1,164,724</u>		<u>4,150,480</u>
Unassigned	<u>6,237,745</u>		<u>(137,207)</u>
Totals	<u>\$ 11,606,408</u>	<u>\$ 10,207,016</u>	<u>\$ 29,394,676</u>

NOTE 8: Deficit Fund Balance

The following funds have deficit fund balances as of December 31, 2024:

	December 31, 2024
Other Funds in the Aggregate:	
Special Revenue Funds:	
Youth Empowerment	<u>\$ (137,207)</u>

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2024, the legal debt limit for the bonded debt was \$84,682,599. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2024, the legal debt limit for short-term financing obligations was \$22,261,421. The amount of short-term financing obligations was \$2,514,506 leaving a legal debt margin of \$19,746,915.

The financed purchase agreement with the West Memphis Public Buildings Development Company, LLC, with a balance at December 31, 2024, of \$9,721,220, qualifies as a revenue bond under Amendment 65, and is not included in the Property Tax Secured Bonded or Short-term Financing Obligation legal debt limit.

NOTE 10: Commitments

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

	December 31, 2024
Long-term liabilities	\$ 25,984,694
Leases	87,354
Subscription-Based Information Technology Arrangement	136,983
Construction contracts	11,242,773
	<hr/>
Total Commitments	<u>\$ 37,451,804</u>

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Long-term liabilities

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

	<u>December 31, 2024</u>
<u>Bonds</u>	
City of West Memphis, Arkansas, Airport Revenue Refunding and Improvement Bond, Series 2013, dated October 3, 2013, in the amount of \$3,055,000 due in yearly installments of \$147,636 - \$194,275 through May 2038; interest of 1.00% - 4.50%. Payments are to be made from the Airport Bond 2013 Debt Service Fund.	\$ 2,035,000
City of West Memphis, Arkansas, Net Casino Gaming Receipts Tax Bonds, Series 2023, dated November 30, 2023, in the amount of \$9,050,000 due in yearly installments of \$445,584 - \$872,537 through December 2039; interest of 4.00% - 5.125%. Payments are to be made from the Casino Bond Debt Service Fund.	9,050,000
Total Bonds	<u>11,085,000</u>
<u>Direct Borrowings</u>	
Financed purchase agreement with the West Memphis Public Buildings Development Company, LLC, dated November 19, 2019, (amended November 6, 2020) in the amount of \$11,434,010 to acquire, develop, and construct a municipal courthouse facility, two fire department stations, a police sub-station, and to advance refund the City of West Memphis, Arkansas Capital Improvement Revenue Bonds, Series 2006. The terms of payments are monthly installments of \$11,451 for 15 months with interest of \$22,902 during 2021. Afterwards monthly installments of \$69,505 for 224 months; interest rate of 3.44%. Payments are to be made from the General Park Capital Projects Fund and Debt Repayment Debt Service Fund.	9,721,220
Financed purchase agreement dated July 15, 2020, with Fidelity National Bank in the amount of \$200,000, for the purchase of three ambulances; due in yearly installments of \$45,100 - \$40,000 for five years with a variable interest rate. Payments are to be made from the General Fund.	40,000
Financed purchase agreement dated March 18, 2022, with Motorola Solutions Inc. in the amount of \$4,019,993, to acquire, develop, and construct a radio tower and purchase radio equipment for police, fire, and emergency management departments. The terms of payments are an initial \$500,000 down payment, an additional \$1,500,000 down payment due upon the completion of project milestones, and yearly installments of \$762,684 - \$846,403 for five years; interest rate of 2.638%. Payments are to be made from the Debt Repayment Fund.	2,474,506
Total Direct Borrowings	<u>12,235,726</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	<u>2,663,968</u>
Total Long-term liabilities	<u>\$ 25,984,694</u>

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

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Long-term liabilities (Continued)

The City's outstanding bonds payable of \$11,085,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 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 and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding direct borrowings of \$12,235,726 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	\$ 2,394,347
Ending balance compensated absences	<u>2,663,968</u>
Net increase (decrease)	<u>\$ 269,621</u>

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2024	Maturities to December 31, 2024
<u>Bonds</u>					
10/3/13	5/1/38	1.00 - 4.5%	\$ 3,055,000	\$ 2,035,000	\$ 1,020,000
11/30/23	12/1/39	4.00 - 5.125%	9,050,000	9,050,000	
Total Bonds			<u>12,105,000</u>	<u>11,085,000</u>	<u>1,020,000</u>
<u>Direct Borrowings</u>					
11/19/19	11/1/39	3.44%	11,434,010	9,721,220	1,712,790
7/15/20	7/15/25	Variable	200,000	40,000	160,000
3/18/22	4/1/27	2.638%	4,019,993	2,474,506	1,545,487
Total Direct Borrowings			<u>15,654,003</u>	<u>12,235,726</u>	<u>3,418,277</u>
Total Long-Term Debt			<u>\$ 27,759,003</u>	<u>\$ 23,320,726</u>	<u>\$ 4,438,277</u>

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Bonds payable	\$ 11,195,000	\$ 0	\$ 110,000	\$ 11,085,000
<u>Direct Borrowings</u>				
Financed purchases	13,548,990 *	0	1,313,264	12,235,726
Total Long-Term Debt	<u>\$ 24,743,990</u>	<u>\$ 0</u>	<u>\$ 1,423,264</u>	<u>\$ 23,320,726</u>

* Reduced the beginning balance by the down payment amount of \$1,500,000.

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2024:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 540,000	\$ 526,634	\$ 1,066,634	\$ 1,351,055	\$ 393,534	\$ 1,744,589
2026	565,000	501,250	1,066,250	1,349,990	352,799	1,702,789
2027	590,000	479,019	1,069,019	1,390,103	312,686	1,702,789
2028	610,000	455,653	1,065,653	562,701	271,357	834,058
2029	640,000	426,461	1,066,461	582,366	251,691	834,057
2030 through 2034	3,670,000	1,662,297	5,332,297	3,231,719	938,570	4,170,289
2035 through 2039	4,470,000	663,450	5,133,450	3,767,792	332,992	4,100,784
Totals	<u>\$ 11,085,000</u>	<u>\$ 4,714,764</u>	<u>\$ 15,799,764</u>	<u>\$ 12,235,726</u>	<u>\$ 2,853,629</u>	<u>\$ 15,089,355</u>

Leases

The City entered into a lease agreement for a sanitation vehicle on August 22, 2023. Terms of the lease are monthly rental payments of \$5,617 for 24 months. At the end of the lease term, the City will return the vehicle.

The City entered into a lease agreement for a sanitation vehicle on November 2, 2023. Terms of the lease are monthly rental payments of \$3,856 for 24 months. At the end of the lease term, the City will return the vehicle.

The City is obligated for the following amount for the next year:

Year	December 31, 2024
2025	<u>\$ 87,354</u>

Lease expense for 2024, was \$113,678.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Subscription-Based Information Technology Arrangement (SBITA)

The City entered into a Subscription-Based Information Technology Arrangement (SBITA) for accounting software on April 26, 2023. Terms of the SBITA are annual subscription payments of \$136,983 for 3 years. The City is obligated for the following amount for the next year:

Year	December 31, 2024
2025	\$ 136,983

Subscription expense for 2024, was \$136,983.

Construction Contracts

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

Project Name	Estimated Completion or Completed Date	Contract Balance December 31, 2024
North Apron Improvements	June 2025	\$ 1,462,211
Eugene Woods Civic Center	October 2025	2,325,316
Tilden Rodgers Park	November 2025	5,125,765
New Animal Shelter	January 2026	2,329,481
Total Construction Contracts		\$ 11,242,773

NOTE 11: Interfund Transfers

The General Fund transferred \$4,120,000 to Other Funds in the Aggregate (Capital Purchases \$1,300,000, General Park \$820,000, Debt Repayment \$2,000,000) for capital purchases and future debt service payments. The Other Funds in the Aggregate (Casino Bond) transferred \$10,768,125 to the General Fund for Southland gaming tax collected in excess of debt service requirements. Within the Other Funds in the Aggregate, the Airport Fund transferred \$35,000 to the Airport Construction Fund for capital expenditures and \$175,500 to the Airport Bond 2013 Fund for debt service payments. The Advertising and Promotion, Capital Purchases, and Debt Repayment Funds transferred \$474,035, \$250,000, and \$150,000, respectively, to the General Park Fund for capital purchases.

NOTE 12: Pledged Revenues

The City pledged future airport revenues and surplus utility revenues to repay \$3,055,000 in refunding and improvement bonds that were issued in 2013 to refund the 2007 Airport Bond and to provide funding for improvements to the Airport. Total principal and interest remaining on the bonds are \$2,035,000 and \$673,214, respectively, payable through May 1, 2038. For 2024, principal and interest and other charges paid were \$110,000 and \$89,186, respectively.

The Airport Fund received \$1,410,981 in airport fees in 2024. Any airport fees in excess of debt service payments on these bonds is permitted to be used for other airport expenditures.

The City pledged future franchise fees, fines, and forfeitures to repay \$11,434,010 for a financed purchase agreement that was executed in 2019 (amended in 2020) to provide funding to acquire, develop and construct a municipal courthouse facility, two fire department stations, a police sub-station, and to advance refund the City of West Memphis, Arkansas Capital Improvement Revenue Bonds, Series 2006. Total principal and interest remaining on the financed purchase agreement are \$9,721,220 and \$2,720,141, respectively, payable through November 1, 2039. For 2024, principal and interest paid were \$490,461 and \$343,597, respectively.

The General Fund received \$2,291,160 and \$770,969 in franchise fees and fines and forfeitures, respectively, in 2024.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12: Pledged Revenues (Continued)

The City pledged future Southland gaming tax revenues to repay \$9,050,000 in net casino gaming receipts tax bonds that were issued in 2023 to provide funding for improvements to park and recreational facilities. Total principal and interest remaining on the bonds are \$9,050,000 and \$4,041,550, respectively, payable through December 1, 2039. For 2024, interest and other charges paid was \$447,459.

The Casino Bond Fund received \$11,171,159 in Southland gaming tax revenues in 2024. Any gaming taxes collected in excess of debt service payments on these bonds is permitted to be used for other City expenditures.

NOTE 13: Related Party Transactions

The Utility Department is one of a number of departments and/or funds of the City established for a specific purpose. The City provides general services such as personnel, data processing, financial administration, and legal services to the Department. The cost associated with providing these services is charged to the Department by the City. The amount paid by the Department in 2024 was \$1,382,191.

The City also charges the Department five percent of utility sales in lieu of franchise taxes. The amount paid by the Department in 2024 was \$1,796,844.

As a convenience to customers, the Utility Department includes the fees of city-provided garbage collection and mosquito control in its monthly customer billings. Garbage collection fees are remitted to the Sanitation Fund and mosquito fees are remitted to the General Fund monthly.

NOTE 14: Jointly Governed Organization – Second Judicial District Drug Task Force

The Prosecuting Attorney's Office of the Second Judicial District, the Sheriffs' Departments of Clay, Craighead, Crittenden, Greene, Mississippi, and Poinsett Counties and the Police Departments of Blytheville, Corning, Jonesboro, Marion, Osceola, Paragould, Piggott, Trumann, and West Memphis entered into an agreement to establish the Second Judicial District Drug Task Force. This agreement covers the period January 1, 2023 to December 31, 2024, and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Second Judicial District. No contributions or payments for expenditures were made to the Second Judicial District Drug Task Force. The 2024 financial statements of the Second Judicial District Drug Task Force have not been audited.

NOTE 15: Risk Management

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

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

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

Municipal Vehicle Program

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 15: Risk Management (Continued)

Municipal Vehicle Program (Continued)

- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

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

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

**NOTE 16: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

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

On January 1, 2018, administration of the City of West Memphis Firemen's Pension and Relief Fund and the City of West Memphis Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

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

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 16: Local Police and Fire Retirement System (LOPFI) (Continued)
(A Defined Benefit Pension Plan)

Funding Policy (Continued)

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$2,410,503 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$859,016 for the year ended December 31, 2024.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2024, (actuarial valuation date and measurement date) was \$17,149,200.

NOTE 17: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers the District Court Clerk. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.75% as of July 1, 2024. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2024, (date of APERS Employer Allocation Report) was \$9,438.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2024, (actuarial valuation date and measurement date) was \$67,474.

NOTE 18: Nonuniform Employee Pension Plan (A Defined Contribution Plan)

On January 1, 1977, the City established a defined contribution pension plan for all nonuniformed employees and has contracted with a private insurance carrier who maintains an account for the City. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The contribution plan requires the City to contribute to the insurance carrier an amount equal to five percent of the employee's base salary. The City's contributions (and interest allocated to the employees' account) are vested at a rate of 20% per year until fully vested after five years of service. Eligibility commences from one year from date of employment. City contributions for, and interest forfeited by, employees who leave employment before being fully vested are used to reduce the City's future period contribution requirements. Interest earned is credited to each employee's account quarterly. Employees are entitled only to the funds deposited by them and on their behalf. The City's contribution to the plan was \$78,735 for the year ended December 31, 2024.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 19: Clerk Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk Phillip Para \$4,800 for the year ended December 31, 2024.

NOTE 20: City Attorney Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-120 establishes retirement benefits for city attorneys in cities of the first class at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the city attorney at the time of retirement. Retirement benefits are to be paid monthly from the City's General Fund. A city attorney may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of service. The City paid former City Attorney David Peebles \$48,925 for the year ended December 31, 2024.

NOTE 21: Treasurer's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-125 establishes retirement benefits for treasurers in cities of the first class at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the monthly salary received during the preceding year of service. Retirement benefits are to be paid from the City's General Fund. A treasurer who shall retire from office or be succeeded by another city treasurer with 15 years of service shall, upon reaching 60 years of age, receive retirement pay. The City paid former Treasurer Aubrey Holt \$3,000 for the year ended December 31, 2024.

NOTE 22: Southland Greyhound Park Breakage

Southland Greyhound Park Breakage consists of the City's share of the odd cents or breaks after distribution of each pari-mutuel pool. In accordance with Ark. Code Ann. § 23-111-509, breakage is computed as the amount of odd cents remaining in each pari-mutuel pool after redistributions are made in a sum equal to the next lowest multiple of ten cents. The City receives two-thirds of the total breakage.

NOTE 23: Gaming Tax

Amendment one hundred to the Arkansas Constitution established a casino gaming tax to be paid by licensee holders conducting casino gaming equal to 13% on the first \$150,000,000 of net casino gaming receipts and 20% on net receipts that exceeds \$150,000,001. Net casino gaming taxes are distributed as follows: 55% to the State of Arkansas, 17.5% to the Arkansas Racing Commission Purse and Awards Fund, 8% to the county in which the casino is located, and 19.5% to the city in which the casino is located.

NOTE 24: Southland Racing Corporation Pledge Agreement

On December 14, 2023, the City entered into a multi-year pledge agreement with Southland Racing Corporation (Southland) where Southland intends to make a gift to the City in the aggregate amount of \$1,700,000, payable in a series of installments over a period of up to seven years. Funds are intended for use in the establishment and operation of an animal shelter for which Southland shall have naming rights. The agreement states Southland will make an initial down payment of \$200,000 in 2023 and then seven annual payments of \$214,286 scheduled to begin 2024 and continue through 2030.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 25: Buc-ee's West Memphis, LLC Community Development Incentive Agreement

On October 29, 2024, the City passed Ordinance No. 2684 authorizing the execution and delivery of a community development incentive agreement with Buc-ee's West Memphis, LLC (Buc-ee's) to incentivize Buc-ee's development construction of a tourism attraction and facility and related or ancillary facilities supporting or beneficial to the operation of such facility. As part of the agreement, the City acquired the project property for a purchase price of \$3,498,931 on December 31, 2024. The City also agreed to a tax abatement for a portion of the project with the payment of an annual sum equal to 35% of the amount which otherwise would be payable as ad valorem taxes to the applicable taxing authorities for a period of 30 years.

NOTE 26: Federal Funds Program Compliance

The federal grants for 2024 and 2023 were not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City. On July 24, 2025, the City contracted with a CPA firm to perform the 2023 federal audit. An engagement letter has not been signed for 2024; however, discussions with federal auditors have been made.

NOTE 27: Subsequent Events

On April 30, 2025, the City issued \$47,050,000 in Sales and Use Tax Bonds for the purpose of financing all or a portion of the costs of capital improvements.

On May 19, 2025, the City entered into a \$7,890,675 contract with SN Contractors, LLC for the South Loop Extension project.

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Sanitation	Library	Advertising and Promotion	Narcotics	Park	Community Development	Emergency 911	Metropolitan Planning Organization	Special
ASSETS									
Cash and cash equivalents	\$ 596,996	\$ 1,965,220	\$ 4,164,453	\$ 55,155	\$ 123,476	\$ 458	\$ 1,824,802	\$ 147,400	\$ 901,304
Accounts receivable	247,370	16,724	262,376						12,017
Interfund receivables	4,312	3,181	5,867			72,823			120,174
TOTAL ASSETS	<u>\$ 848,678</u>	<u>\$ 1,985,125</u>	<u>\$ 4,432,696</u>	<u>\$ 55,155</u>	<u>\$ 123,476</u>	<u>\$ 73,281</u>	<u>\$ 1,824,802</u>	<u>\$ 147,400</u>	<u>\$ 1,033,495</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 89,216	\$ 5,980	\$ 55,937						
Interfund payables	480,350	628,298	56,874	\$ 1,742		\$ 9,176	\$ 4,316	\$ 95,144	\$ 2,995
Settlements pending									
Total Liabilities	<u>569,566</u>	<u>634,278</u>	<u>112,811</u>	<u>1,742</u>		<u>9,176</u>	<u>4,316</u>	<u>95,144</u>	<u>2,995</u>
Fund Balances:									
Restricted		898,912	4,319,885		\$ 123,476	64,105	1,809,900	52,256	1,030,500
Committed	29,112								
Assigned	250,000	451,935		53,413			10,586		
Unassigned									
Total Fund Balances	<u>279,112</u>	<u>1,350,847</u>	<u>4,319,885</u>	<u>53,413</u>	<u>123,476</u>	<u>64,105</u>	<u>1,820,486</u>	<u>52,256</u>	<u>1,030,500</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 848,678</u>	<u>\$ 1,985,125</u>	<u>\$ 4,432,696</u>	<u>\$ 55,155</u>	<u>\$ 123,476</u>	<u>\$ 73,281</u>	<u>\$ 1,824,802</u>	<u>\$ 147,400</u>	<u>\$ 1,033,495</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Federal Grants Programs	Retirement	Airport	Port Authority	Industrial Development	Tandem Properties	Youth Empowerment	American Rescue Plan Act
ASSETS								
Cash and cash equivalents	\$ 869	\$ 4,812,137	\$ 44,638	\$ 2,129,169	\$ 1,149,723	\$ 7,979	\$ 127,941	\$ 2,653,859
Accounts receivable		24,013	13,763		10,268			
Interfund receivables		511,798	59,126		118,924			
TOTAL ASSETS	<u>\$ 869</u>	<u>\$ 5,347,948</u>	<u>\$ 117,527</u>	<u>\$ 2,129,169</u>	<u>\$ 1,278,915</u>	<u>\$ 7,979</u>	<u>\$ 127,941</u>	<u>\$ 2,653,859</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 22,363					
Interfund payables		\$ 241,379	46,285				\$ 265,148	\$ 78,520
Settlements pending								
Total Liabilities		<u>241,379</u>	<u>68,648</u>				<u>265,148</u>	<u>78,520</u>
Fund Balances:								
Restricted	\$ 869	5,106,569	48,879	\$ 2,129,169	\$ 1,271,311	\$ 7,979		2,575,339
Committed								
Assigned					7,604			
Unassigned							(137,207)	
Total Fund Balances	<u>869</u>	<u>5,106,569</u>	<u>48,879</u>	<u>2,129,169</u>	<u>1,278,915</u>	<u>7,979</u>	<u>(137,207)</u>	<u>2,575,339</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 869</u>	<u>\$ 5,347,948</u>	<u>\$ 117,527</u>	<u>\$ 2,129,169</u>	<u>\$ 1,278,915</u>	<u>\$ 7,979</u>	<u>\$ 127,941</u>	<u>\$ 2,653,859</u>

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

Schedule 1

	CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS		
	General Park	Airport Construction	Capital Purchases	Casino Bond Construction	Airport Bond 2013	Debt Repayment	Casino Bond
ASSETS							
Cash and cash equivalents	\$ 144,752	\$ 284,791	\$ 836,943	\$ 3,776,991	\$ 365,312	\$ 3,185,461	\$ 547,624
Accounts receivable		940,987	214,286				745,324
Interfund receivables			76,607				
TOTAL ASSETS	<u>\$ 144,752</u>	<u>\$ 1,225,778</u>	<u>\$ 1,127,836</u>	<u>\$ 3,776,991</u>	<u>\$ 365,312</u>	<u>\$ 3,185,461</u>	<u>\$ 1,292,948</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$ 1,045,542	\$ 706,845				
Interfund payables						\$ 76,607	
Settlements pending							
Total Liabilities		<u>1,045,542</u>	<u>706,845</u>			<u>76,607</u>	
Fund Balances:							
Restricted		180,236	297,655	\$ 3,776,991	\$ 365,312		\$ 1,292,948
Committed							
Assigned	\$ 144,752		123,336			3,108,854	
Unassigned							
Total Fund Balances	<u>144,752</u>	<u>180,236</u>	<u>420,991</u>	<u>3,776,991</u>	<u>365,312</u>	<u>3,108,854</u>	<u>1,292,948</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 144,752</u>	<u>\$ 1,225,778</u>	<u>\$ 1,127,836</u>	<u>\$ 3,776,991</u>	<u>\$ 365,312</u>	<u>\$ 3,185,461</u>	<u>\$ 1,292,948</u>

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

Schedule 1

	CUSTODIAL FUNDS			
	District Court	Police Confiscation	Administration of Justice	Totals
ASSETS				
Cash and cash equivalents	\$ 257,918	\$ 39,667	\$ 144	\$ 30,145,182
Accounts receivable				2,487,128
Interfund receivables				972,812
TOTAL ASSETS	<u>\$ 257,918</u>	<u>\$ 39,667</u>	<u>\$ 144</u>	<u>\$ 33,605,122</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable				\$ 1,925,883
Interfund payables				1,986,834
Settlements pending	\$ 257,918	\$ 39,667	\$ 144	297,729
Total Liabilities	<u>257,918</u>	<u>39,667</u>	<u>144</u>	<u>4,210,446</u>
Fund Balances:				
Restricted				25,352,291
Committed				29,112
Assigned				4,150,480
Unassigned				(137,207)
Total Fund Balances				<u>29,394,676</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 257,918</u>	<u>\$ 39,667</u>	<u>\$ 144</u>	<u>\$ 33,605,122</u>

CITY OF WEST MEMPHIS, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS								
	Sanitation	Library	Advertising and Promotion	Narcotics	Park	Community Development	Emergency 911	Metropolitan Planning Organization	Special
REVENUES									
State aid		\$ 35,989							\$ 22,979
Federal aid						\$ 294,951			638,424
Property taxes		770,499							
Sales taxes									139,809
Fines, forfeitures, and costs				\$ 23,515					18,987
Interest and dividends	\$ 599	2,663	\$ 74,571	18			\$ 2,426		791
Local permits and fees		7,911							
Sanitation fees	2,831,766								
Advertising and promotion taxes			3,302,865						
Emergency 911 fees							396,761		
Southland gaming tax									
Fuel and oil sales									
Rentals			39,932		\$ 8,995				
Donations									
Other	5,043	291	51,340						400
TOTAL REVENUES	2,837,408	817,353	3,468,708	23,533	8,995	294,951	399,187		821,390
EXPENDITURES									
Current:									
General government									
Law enforcement				176,010					296,965
Highways and streets								\$ 24,606	
Public safety							47,469		30,442
Sanitation	2,903,567								
Recreation and culture		493,800							
Social services									
Advertising and promotion			1,296,409						
Economic development									28,816
Community development						250,309			
Airport									
Total Current	2,903,567	493,800	1,296,409	176,010		250,309	47,469	24,606	356,223
Debt Service:									
Bond principal									
Bond interest and other charges									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES	2,903,567	493,800	1,296,409	176,010		250,309	47,469	24,606	356,223
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(66,159)	323,553	2,172,299	(152,477)	8,995	44,642	351,718	(24,606)	465,167
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out			(474,035)						
Refund to grantor									
Land purchase			(3,498,931)						
TOTAL OTHER FINANCING SOURCES (USES)			(3,972,966)						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(66,159)	323,553	(1,800,667)	(152,477)	8,995	44,642	351,718	(24,606)	465,167
FUND BALANCES - JANUARY 1	345,271	1,027,294	6,120,552	205,890	114,481	19,463	1,468,768	76,862	565,333
FUND BALANCES - DECEMBER 31	\$ 279,112	\$ 1,350,847	\$ 4,319,885	\$ 53,413	\$ 123,476	\$ 64,105	\$ 1,820,486	\$ 52,256	\$ 1,030,500

CITY OF WEST MEMPHIS, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS							
	Federal Grants Programs	Retirement	Airport	Port Authority	Industrial Development	Tandem Properties	Youth Empowerment	American Rescue Plan Act
REVENUES								
State aid								
Federal aid								
Property taxes		\$ 858,978						
Sales taxes			\$ 189,178		\$ 139,809			
Fines, forfeitures, and costs		80,051						
Interest and dividends			178	\$ 2,967				
Local permits and fees			3,015					
Sanitation fees								
Advertising and promotion taxes								
Emergency 911 fees								
Southland gaming tax								
Fuel and oil sales			963,375					
Rentals			444,591	292,001				
Donations							\$ 20,695	
Other		3,157	15,072					
TOTAL REVENUES		942,186	1,615,409	294,968	139,809		20,695	
EXPENDITURES								
Current:								
General government				208,384				\$ 323,043
Law enforcement								1,000,000
Highways and streets								
Public safety								34,999
Sanitation								
Recreation and culture								585,991
Social services							100,755	
Advertising and promotion								
Economic development					987			
Community development								
Airport			1,442,040					
Total Current			1,442,040	208,384	987		100,755	1,944,033
Debt Service:								
Bond principal								
Bond interest and other charges								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES			1,442,040	208,384	987		100,755	1,944,033
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES		942,186	173,369	86,584	138,822		(80,060)	(1,944,033)
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out			(210,500)					
Refund to grantor				(901,900)				
Land purchase								
TOTAL OTHER FINANCING SOURCES (USES)			(210,500)	(901,900)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES		942,186	(37,131)	(815,316)	138,822		(80,060)	(1,944,033)
FUND BALANCES - JANUARY 1	\$ 869	4,164,383	86,010	2,944,485	1,140,093	\$ 7,979	(57,147)	4,519,372
FUND BALANCES - DECEMBER 31	\$ 869	\$ 5,106,569	\$ 48,879	\$ 2,129,169	\$ 1,278,915	\$ 7,979	\$ (137,207)	\$ 2,575,339

CITY OF WEST MEMPHIS, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS			
	General Park	Airport Construction	Capital Purchases	Casino Bond Construction	Airport Bond 2013	Debt Repayment	Casino Bond	Totals
REVENUES								
State aid								\$ 58,968
Federal aid		\$ 3,403,753						4,337,128
Property taxes								1,629,477
Sales taxes								468,796
Fines, forfeitures, and costs								122,553
Interest and dividends		785		\$ 417,212	\$ 16,797		\$ 32,905	551,912
Local permits and fees								10,926
Sanitation fees								2,831,766
Advertising and promotion taxes								3,302,865
Emergency 911 fees								396,761
Southland gaming tax							11,171,159	11,171,159
Fuel and oil sales								963,375
Rentals								785,519
Donations			\$ 214,286					234,981
Other		56,589	4,339					136,231
TOTAL REVENUES		3,461,127	218,625	417,212	16,797		11,204,064	27,002,417
EXPENDITURES								
Current:								
General government			122,194					653,621
Law enforcement			1,004,274					2,477,249
Highways and streets			104,567					129,173
Public safety			1,270,945					1,383,855
Sanitation						\$ 113,678		3,017,245
Recreation and culture	\$ 1,913,532		179,084	5,378,036				8,550,443
Social services								100,755
Advertising and promotion								1,296,409
Economic development								29,803
Community development								250,309
Airport		3,931,450			3,000			5,376,490
Total Current	1,913,532	3,931,450	2,681,064	5,378,036	3,000	113,678		23,265,352
Debt Service:								
Bond principal					110,000			110,000
Bond interest and other charges					89,186		447,459	536,645
Financed purchase principal						1,273,264		1,273,264
Financed purchase interest						429,524		429,524
TOTAL EXPENDITURES	1,913,532	3,931,450	2,681,064	5,378,036	202,186	1,816,466	447,459	25,614,785
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,913,532)	(470,323)	(2,462,439)	(4,960,824)	(185,389)	(1,816,466)	10,756,605	1,387,632
OTHER FINANCING SOURCES (USES)								
Transfers in	1,694,035	35,000	1,300,000		175,500	2,000,000		5,204,535
Transfers out			(250,000)			(150,000)	(10,768,125)	(11,852,660)
Refund to grantor								(901,900)
Land purchase								(3,498,931)
TOTAL OTHER FINANCING SOURCES (USES)	1,694,035	35,000	1,050,000		175,500	1,850,000	(10,768,125)	(11,048,956)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(219,497)	(435,323)	(1,412,439)	(4,960,824)	(9,889)	33,534	(11,520)	(9,661,324)
FUND BALANCES - JANUARY 1	364,249	615,559	1,833,430	8,737,815	375,201	3,075,320	1,304,468	39,056,000
FUND BALANCES - DECEMBER 31	\$ 144,752	\$ 180,236	\$ 420,991	\$ 3,776,991	\$ 365,312	\$ 3,108,854	\$ 1,292,948	\$ 29,394,676

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Sanitation	West Memphis City Ordinance no. 441 (September 5, 1963) established fund to receive all revenues derived from the operation of the Sanitation Department.
Library	Ark. Code Ann. § 13-2-501 established fund to operate and maintain city libraries. West Memphis City Ordinance no. 314 (February 16, 1956) as amended by West Memphis City Ordinance no. 368 (March 5, 1959) allowed for the fund to receive monies for library purposes.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued. West Memphis City Ordinance no. 917 (November 1977) established this fund to receive one percent tax levy on gross receipts of hotel and/or motel, restaurants cafes, and cafeterias.
Narcotics	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Park	Ark. Code Ann. § 14-269-205 established fund to operate recreational parks.
Community Development	Established to process the U.S. Department of Housing and Urban Development grants.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Metropolitan Planning Organization	Established to process federal highway grants received through the Arkansas Highway and Transportation Department.
Special	Established to receive grants for various city departments and sales tax levied for economic development.
Federal Grants Programs	Established to account for various federal grant awards.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Retirement	Ark. Code Ann. §§ 24-4-751, 24-8-902 established fund to contribute an amount of money that represents the actuarially determined accrued liability to be paid to the Arkansas Public Employees Retirement System and any excess funds for this purpose will be retained in this fund for the sole purpose of paying the retirement benefits of the district judges and clerks. In addition, Ark. Code Ann. §§ 24-11-801, 24-11-403 established funds to receive property taxes, state aid, and other revenues allowed by law for support of firefighter and police retirement programs, respectively. The District Judge and Clerk Retirement, Firemen's Pension, and Policemen's Pension Funds were combined by the City in September 2018.
Airport	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
Port Authority	Ark. Code Ann. §§ 14-186-201 - 215 established fund to receive revenues obtained by a municipality from port rentals, including proceeds from the sales of any ports, harbors, terminals, or portions thereof of port authority property. The revenues shall be used solely to establish, improve, and maintain lands and facilities in connection with ports, harbors, and terminals.
Industrial Development	West Memphis City Ordinance no. 1257 (September 18, 1986) established fund to receive voter approved sales tax levied for economic development.
Tandem Properties	Established to process the Delta Regional Authority grants.
Youth Empowerment	Established to receive grants for youth summer employment.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
General Park	West Memphis City Ordinance no. 2146 (May 18, 2006) established fund in relation to bond issue to pay the related expenses to construct and improve city parks.
Airport Construction	West Memphis City Ordinance no. 2324 (October 3, 2013) established fund in relation to a bond issue to pay the related expenses of construction improvements to the municipal airport.

CITY OF WEST MEMPHIS, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Capital Purchases	Established for future capital purchases.
Casino Bond Construction	West Memphis City Ordinance no. 2649 (October 19, 2023) established fund in relation to a bond issue to pay the related expenses to construct and improve city parks.
Airport Bond 2013	West Memphis City Ordinance no. 2324 (October 3, 2013) established fund to pay the principal and interest of refunding bonds to refinance the cost of constructing improvements to the City's Airport facilities.
Debt Repayment	Established for future debt repayment of various debt agreements.
Casino Bond	West Memphis City Ordinance no. 2649 (October 19, 2023) established fund to pay the principal and interest of bonds to finance the cost of constructing improvements to the City's park and recreational facilities.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Police Confiscation	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.

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

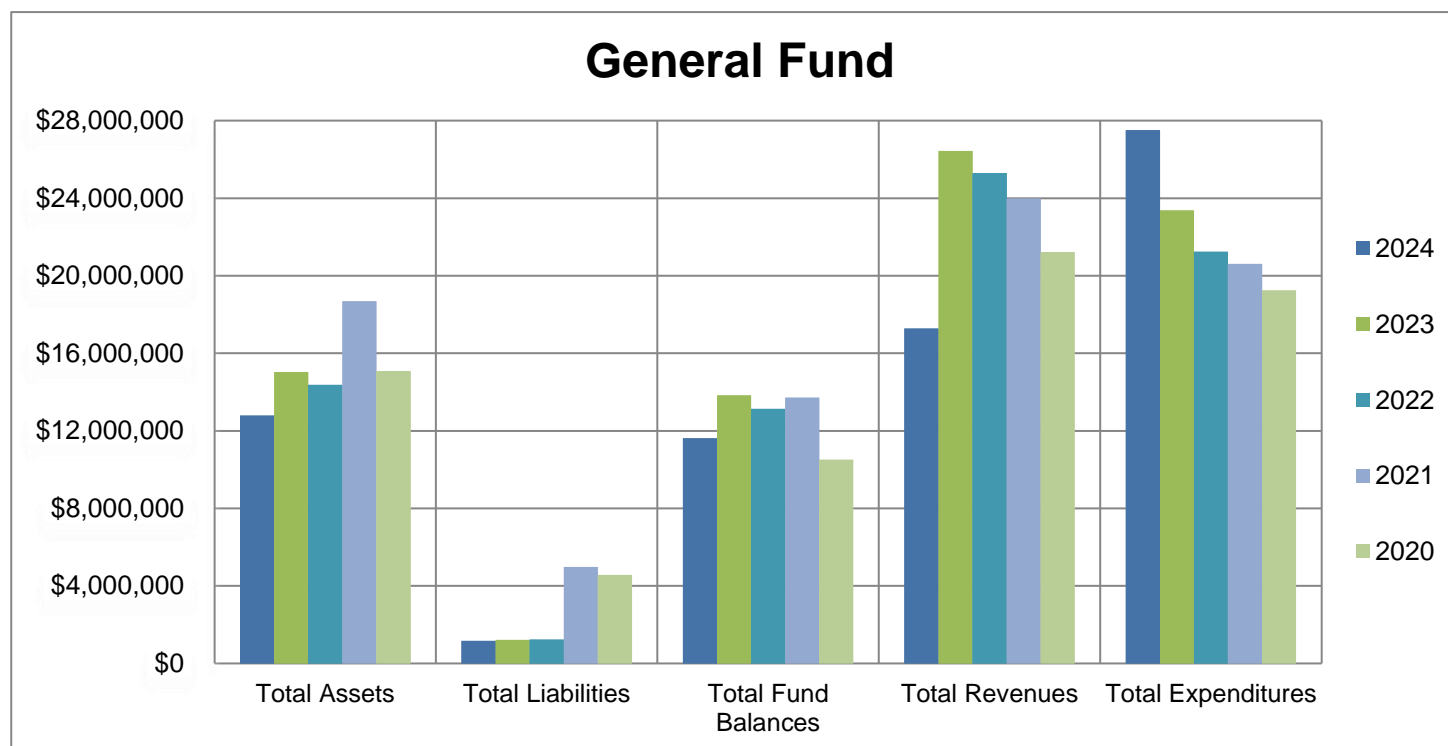
Schedule 3

	December 31, 2024
Land	\$ 7,188,992
Buildings	14,459,154
Equipment	15,969,999
Construction in progress	<u>130,917</u>
Total	<u><u>\$ 37,749,062</u></u>

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

Schedule 4-1

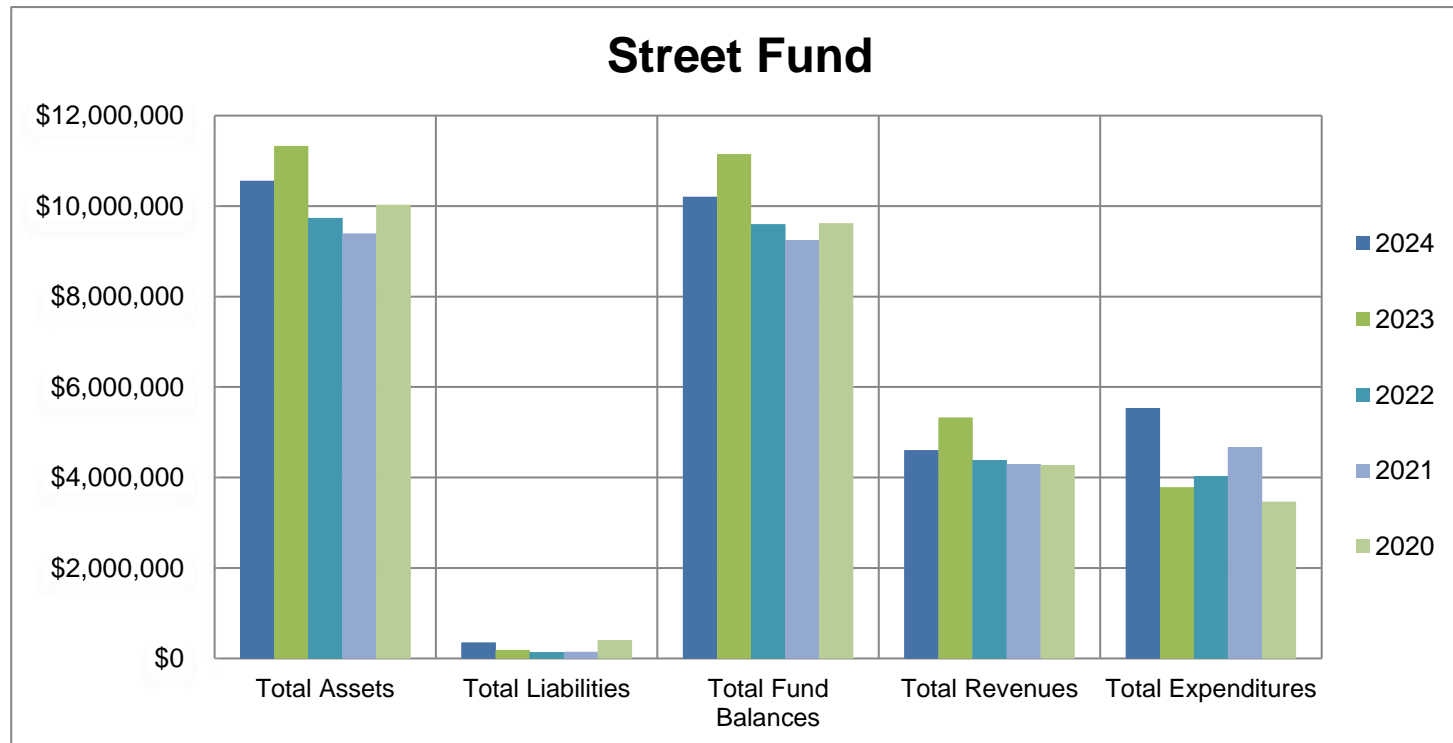
<u>General</u>	2024	2023	2022	2021	2020
Total Assets	\$ 12,777,834	\$ 15,030,565	\$ 14,363,398	\$ 18,684,101	\$ 15,071,735
Total Liabilities	1,171,426	1,212,503	1,232,023	4,981,230	4,565,572
Total Fund Balances	11,606,408	13,818,062	13,131,375	13,702,871	10,506,163
Total Revenues	17,266,298	26,428,575	25,300,217	23,970,873	21,216,984
Total Expenditures	27,508,268	23,358,713	21,231,410	20,605,535	19,243,972
Total Other Financing Sources/Uses	8,030,316	(2,383,175)	(4,640,303)	(168,630)	1,624,881



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

Schedule 4-2

<u>Street</u>	2024	2023	2022	2021	2020
Total Assets	\$ 10,556,622	\$ 11,329,476	\$ 9,736,146	\$ 9,389,857	\$ 10,025,521
Total Liabilities	349,606	187,282	137,360	142,423	408,015
Total Fund Balances	10,207,016	11,142,194	9,598,786	9,247,434	9,617,506
Total Revenues	4,600,136	5,321,524	4,383,776	4,301,152	4,274,788
Total Expenditures	5,535,314	3,778,116	4,032,424	4,671,224	3,462,771
Total Other Financing Sources/Uses					(63,183)



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2024	2023	2022	2021	2020
Total Assets	\$ 33,605,122	\$ 40,547,507	\$ 27,339,571	\$ 18,006,789	\$ 11,275,826
Total Liabilities	4,210,446	1,491,507	621,022	3,901,296	3,082,408
Total Fund Balances	29,394,676	39,056,000	26,718,549	14,105,493	8,193,418
Total Revenues	27,002,417	13,753,318	15,597,903	12,979,697	8,497,053
Total Expenditures	25,614,785	14,315,867	9,035,689	8,632,569	10,595,459
Total Other Financing Sources/Uses	(11,048,956)	12,900,000	6,050,842	1,564,947	330,183

