

# City of Texarkana, Arkansas

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2024



Prepared By:  
Finance Department

Shena Washington  
Finance Director

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**City of Texarkana, Arkansas**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended December 31, 2024**

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## **Introductory Section**

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## CITY OF TEXARKANA ARKANSAS

FINANCE DEPARTMENT  
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P O BOX 2711 TEXARKANA ARKANSAS 75504-2711  
PHONE (870) 779-4954 FAX (870) 772-8182

Honorable Mayor and Members  
of the Board of Directors and  
Citizens  
City of Texarkana, Arkansas

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

The report is published to provide the Board of Directors, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Forvis Mazars, LLP has issued unmodified opinions on the City of Texarkana, Arkansas' financial statements for the year ended December 31, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Texarkana, Arkansas was founded in 1873 and incorporated in 1880 and is located on the Arkansas – Texas state line in the southwest corner of the State of Arkansas. The City is 28 miles south of Oklahoma and 25 miles north of the Louisiana boundary line. The City currently occupies a land area of 42 square miles and serves a population of 29,387. The City of Texarkana, Arkansas is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Directors.

The City of Texarkana, Arkansas operates under the city manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The Board of Directors is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the Board of Directors, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Board of Directors is elected on a non-partisan basis. Board directors serve four-year staggered terms with three directors elected every two years. The mayor is elected to serve a four-year term. The six directors are elected by ward. The mayor is elected at large.

**We are on the web @ [www.txkusa.org/ar](http://www.txkusa.org/ar)**

The City of Texarkana, Arkansas provides a full range of services, including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; education; health and social services; planning and zoning; and general administrative services. Water and sewer distribution and collection activities are provided by Texarkana Water Utilities (TWU). The Arkansas activity of the Texarkana Water Utilities is accounted for as if it were part of the operations of the primary government. Texarkana, Arkansas Water Utilities is not a legally separate entity from the City. The Texarkana, Arkansas Water Utilities is included as an enterprise fund of the City with its fiscal year end of September 30, 2024.

The City of Texarkana, Arkansas is also financially accountable for a legally separate Advertising and Promotion Commission, which is reported separately within the City of Texarkana, Arkansas' financial statements.

### **Local Economy**

Texarkana's economy relies on an industrial base that is strong and broadly diversified. Throughout the history of Texarkana, manufacturing employment has grown steadily with approximately 80% of the new jobs coming from expansions of existing industry and 20% from new plants. Employers such as Red River Army Depot, International Paper, and Domtar, Inc. have plants in the Texarkana area. These employers draw their workers from a population of more than 200,000 within a 30-mile radius of Texarkana. Once Interstate 49 connecting Shreveport, Louisiana, and Kansas City, Missouri, is complete, Texarkana will be a part of interstates connecting Canada, the United States, and Mexico (I-49 and I-69). In addition, Texarkana is served by the Union Pacific and Kansas City Southern railroads and the Texarkana Regional Airport, a full-service commercial facility.

The City enters into tax abatement agreements with businesses in accordance with state law to attract and retain economic development within its jurisdiction. The City currently has an agreement with a hotel company under which all A&P taxes are abated for a 5-year period, ending in 2025, to support the operation and maintenance of a convention center and water park. The agreement, authorized by the City Manager with approval from the Board of Directors, required construction of the hotel, convention center, and water park in Crossroads Business Park. These incentives are justified by the long-term economic benefits generated through increased tourism, job creation, and expanded tax base growth.

Many developments have taken place in 2024 and 2025 within the City. One hundred seven certificates of occupancy were issued in 2024 and 78 have been issued so far in 2025. New construction projects are ongoing for a nursing home, Gregg Orr Auto Collection, Safe Storage, Dollar General, 8 town homes and several residential and commercial projects.

### **Relevant Financial Policies**

The City's financial policies set forth the basic framework for the fiscal management of the City. These include policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. These policies were developed within the parameters established by applicable provisions of the Arkansas State Statutes and the City of Texarkana, Arkansas City Charter.

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

The annual budget serves as the foundation for the City of Texarkana, Arkansas' financial planning and control. All agencies of the City of Texarkana, Arkansas are required to submit requests for appropriation

to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Board of Directors for review prior to December 1. Prior to February 1, the budget is legally enacted through passage of a resolution. The appropriated budget is prepared by fund, function (e.g., public safety), and department, (e.g., police). The City Manager may make transfers of appropriations between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Public Works Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the supplementary information section of this report.

### Long-Term Financial Plans

The City has three outstanding bonds. The bonds are comprised of various issues for the purpose of capital improvements for the police department, fire department, streets department, public infrastructure, the Crossroads Business Park, and Economic Development. Bonds outstanding at December 31, 2024, are as follows:

	Interest Rates	Final Maturity Date	Principal at December 31, 2024
General Obligation Bond, Series 2012	2.00% - 5.00%	February 1, 2042	\$ 3,550,000
Revenue Bond, Series 2018	2.00% - 3.625%	April 1, 2032	1,395,000
Revenue Bond, Series 2021 A & B	0.50% - 2.785%	January 19, 2040	9,595,000
			<u>\$ 14,540,000</u>

### Awards and Acknowledgements

**Awards:** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Texarkana, Arkansas for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2023. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR meets the Certificate of Achievement Program’s requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

**Acknowledgements:** The preparation of this report would not have been made possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Directors for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectively submitted,

Shena Washington  
Finance Director

December 30, 2025



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Texarkana  
Arkansas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

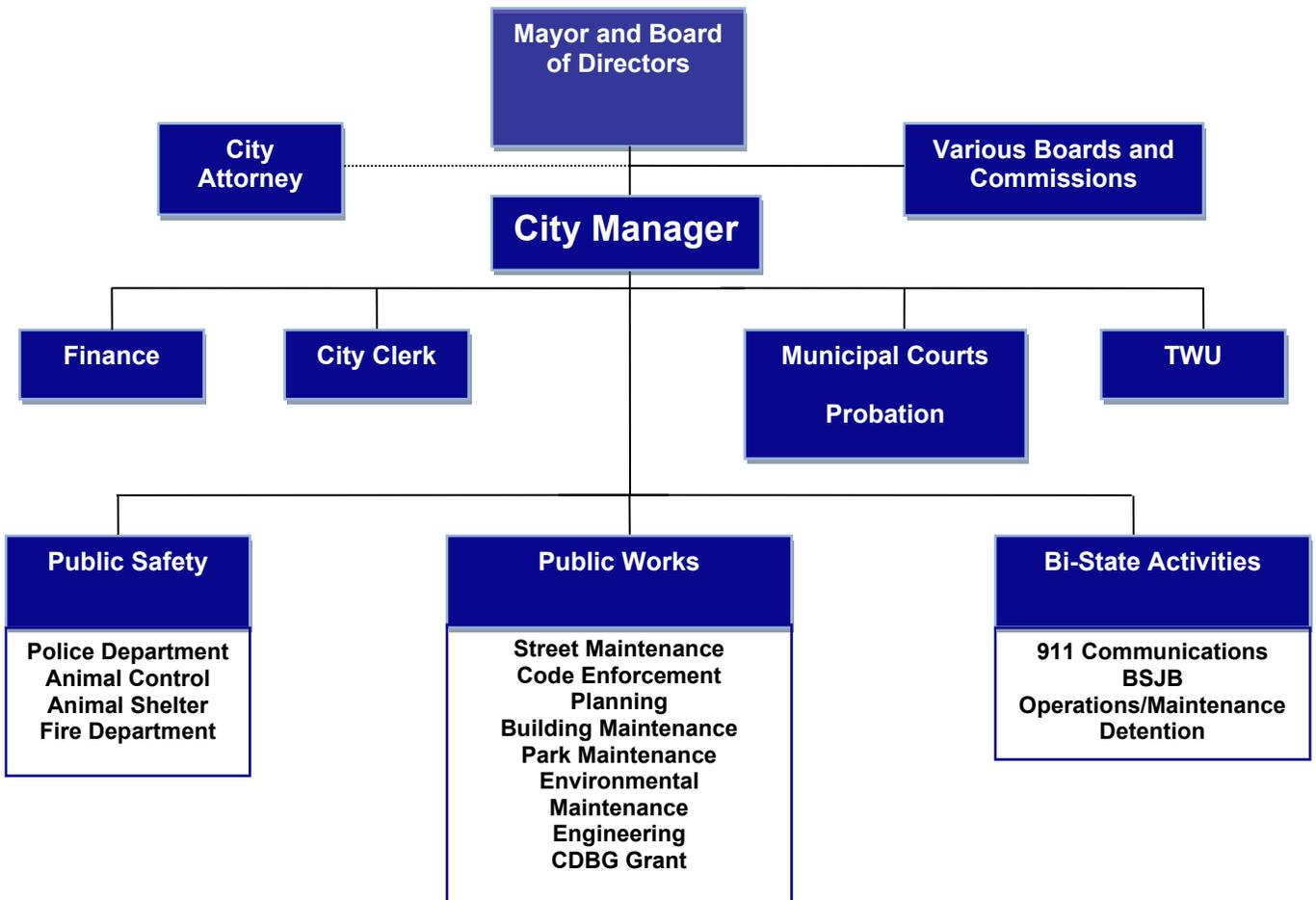
December 31, 2023

*Christopher P. Morill*

Executive Director/CEO



# CITY OF TEXARKANA, ARKANSAS ORGANIZATIONAL CHART



# City of Texarkana, Arkansas

## **Elected Officials:**

Allen L. Brown  
Terry Roberts  
Laney J. Harris  
Steven Hollibush  
Ulysses Brewer  
Danny Jewell  
Jeff Hart  
Tommy Potter

Mayor  
Director – Ward 1  
Director – Ward 2  
Director – Ward 3  
Director – Ward 4  
Director – Ward 5  
Assistant Mayor, Director – Ward 6  
District Court Judge

## **Appointed Officials:**

Tyler Richards  
Josh Potter

City Manager  
City Attorney

## **Financial Section**

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## Independent Auditor's Report

The Honorable Mayor, City Manager  
and Members of the Board of Directors  
City of Texarkana, Arkansas  
Texarkana, Arkansas

### ***Opinions***

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

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

We did not audit the financial statements of Texarkana Airport Authority, a joint venture of the City included in the governmental activities opinion unit. The City's investment in Texarkana Airport Authority reported at December 31, 2024 is \$35,360,140, which includes a current year increase of \$13,562,804. We also did not audit the financial statements of Texarkana Urban Transit District, included in the governmental activities opinion unit. The City's investment in Texarkana Urban Transit District reported at December 31, 2024 is \$1,191,996, which includes a current year increase of \$306,374. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Texarkana Airport Authority and Texarkana Urban Transit District, is based solely on the report of the other auditors.

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

***Forvis Mazars, LLP***

**Rogers, Arkansas  
December 30, 2025**

# City of Texarkana, Arkansas

## Management's Discussion and Analysis

### December 31, 2024

As management of the City of Texarkana, Arkansas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Texarkana, Arkansas exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$98,917,743 (net position).
- The City's total net position increased by \$26,906,198 from operations during fiscal year 2024.
- Governmental funds reported combined ending fund balances of \$13,444,533.
- At the end of the current fiscal year, unassigned fund balance was \$6,157,743.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administration, police department, fire department, protective inspection, public works, public service, health and welfare, and cultural and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City of Texarkana, Arkansas itself (known as the primary government), but also a legally separate Advertising and Promotion Commission for which the City of Texarkana, Arkansas is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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

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

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

The City maintains 18 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Public Works Fund and American Rescue Plan Act Fund, which are considered to be major funds. Data from the other 15 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Public Works, and American Rescue Plan Act Fund. Budgetary comparison statements have been provided for the General Fund, the Public Works and American Rescue Plan Act Fund to demonstrate compliance with these budgets.

**Proprietary Funds** - The City maintains three enterprise proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Texarkana, Arkansas Water Utilities since it is considered to be a major fund of the City. Individual fund data for the two non-major proprietary funds are provided in the form of combining statements elsewhere in this report. These statements are as of September 30, 2024, which is the year-end for the proprietary funds.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Texarkana, Arkansas' own programs.

The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains three pension trust funds and two custodial funds. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees.

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented following the required supplementary information on pensions and OPEB.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Texarkana, Arkansas, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$98,917,743 as of December 31, 2024. The largest portion of the City's net position, 69% (\$67,965,578), reflects its investment in capital assets (*e.g.*, land, buildings, improvements other than buildings, machinery and equipment, infrastructure, water rights, construction in progress, and lease assets), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position represents resources that are subject to restriction on how they may be used. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 61,983,717	\$ 50,133,515	\$ 31,427,050	\$ 29,987,912	\$ 93,410,767	\$ 80,121,427
Capital and lease assets	40,498,858	40,317,053	57,300,208	50,110,713	97,799,066	90,427,766
Other assets	-	-	2,475,546	2,224,925	2,475,546	2,224,925
Total assets	102,482,575	90,450,568	91,202,804	82,323,550	193,685,379	172,774,118
Deferred outflows of resources	7,188,297	10,433,031	989,617	1,656,916	8,177,914	12,089,947
Long-term liabilities	49,221,852	57,261,102	39,164,202	41,216,829	88,386,054	98,477,931
Other liabilities	3,983,950	7,293,387	5,927,019	3,466,309	9,910,969	10,759,696
Total liabilities	53,205,802	64,554,489	45,091,221	44,683,138	98,297,023	109,237,627
Deferred inflows of resources	4,399,279	3,274,933	249,248	339,960	4,648,527	3,614,893
Net position:						
Net investment in capital assets	24,836,305	21,914,550	43,129,273	34,933,360	67,965,578	56,847,910
Restricted	3,810,777	3,641,478	2,475,546	2,224,925	6,286,323	5,866,403
Unrestricted	23,418,709	7,498,149	1,247,133	1,799,083	24,665,842	9,297,232
Total net position	\$ 52,065,791	\$ 33,054,177	\$ 46,851,952	\$ 38,957,368	\$ 98,917,743	\$ 72,011,545

**Analysis of the City's Operations** - The following table provides a summary of the City's operations for the year ended December 31, 2024. Governmental activities increased the City's net position by \$19,011,614. From 2023 to 2024 revenues increased by \$11,514,070 and expenses increased by

\$156,138. The increase in revenue can be attributed to the increases in operating grants and contributions and property taxes. Business-type activities increased the City’s net position by \$7,894,584. From 2023 to 2024 revenues increased by \$9,874,372 and expenses increased by \$1,047,382. The increase in revenues can be attributed to increase in water sales and sewer charges along with an increase in rates in October 2023. The increase in expenses can be attributed to increase in cost of water due to increase in sales and increase in interest expense due to debt issued in 2023.

In addition, deferred outflows for the governmental-type activities decreased by \$3,244,734 while the deferred inflows increased \$1,124,346, due to the annual activity within the various pension and other postemployment benefit plans of the City, which are shown in detail within *Notes 10* and *12*. Long term liabilities for the governmental activities decreased \$8,039,250 due to the decrease in net pension liabilities and payments on bonds and for the business-type activities decreased by \$2,052,627 due to payment on bonds. Additional information on the City of Texarkana, Arkansas’ debt can be found in *Note 6* of this report.

**City of Texarkana, Arkansas  
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 6,868,593	\$ 6,798,012	\$ 15,584,120	\$ 12,395,361	\$ 22,452,713	\$ 19,193,373
Operating grants and contributions	18,358,381	8,679,856	-	-	18,358,381	8,679,856
Capital grants and contributions	606,910	487,840	5,078,026	241,335	5,684,936	729,175
General revenues:						
Property taxes	6,464,384	5,555,834	-	-	6,464,384	5,555,834
Other taxes	16,599,207	17,334,139	-	-	16,599,207	17,334,139
Other revenue	4,996,046	3,530,927	1,943,559	94,637	6,939,605	3,625,564
Total revenues	53,893,521	42,386,608	22,605,705	12,731,333	76,499,226	55,117,941
Expenses:						
General administration	6,749,641	5,686,228	-	-	6,749,641	5,686,228
Police department	7,869,697	9,087,473	-	-	7,869,697	9,087,473
Fire department	5,610,446	6,674,554	-	-	5,610,446	6,674,554
Other public safety	2,513,767	2,100,099	-	-	2,513,767	2,100,099
Protective inspection	656,071	591,121	-	-	656,071	591,121
Public works	9,034,637	7,952,617	-	-	9,034,637	7,952,617
Public services	63,877	25,934	-	-	63,877	25,934
Health and welfare	620,326	549,787	-	-	620,326	549,787
Cultural and recreation	1,794,449	2,002,982	-	-	1,794,449	2,002,982
Interest on long-term debt	483,078	576,213	-	-	483,078	576,213
Water and sewer	-	-	14,362,381	13,314,999	14,362,381	13,314,999
	35,395,989	35,247,008	14,362,381	13,314,999	49,758,370	48,562,007
Increase (decrease) in net position before transfers	18,497,532	7,139,600	8,243,324	(583,666)	26,740,856	6,555,934
Transfers	514,082	445,795	(348,740)	(316,750)	165,342	129,045
Increase (decrease) in net position	19,011,614	7,585,395	7,894,584	(900,416)	26,906,198	6,684,979
Net position - beginning of year	33,054,177	25,468,782	38,957,368	39,857,784	72,011,545	65,326,566
Net position - end of year	\$ 52,065,791	\$ 33,054,177	\$ 46,851,952	\$ 38,957,368	\$ 98,917,743	\$ 72,011,545

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

**Governmental funds** - The focus of the City of Texarkana, Arkansas’ governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is

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

At the end of the current fiscal year, the City of Texarkana, Arkansas' governmental funds reported combined ending fund balances of \$13,444,533.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the General Fund was \$6,264,678. Unassigned fund balance represents approximately 29% of the total General Fund expenditures. There are 102 days of expenditures in unassigned fund balance, representing an increase of 2 days from 2023.

For the City's General Fund, from 2023 to 2024, total expenditures decreased by 9% due to an decrease in general government expenditures and minimal capital outlay purchases approved by the board in 2024 budget. The City's General Fund balance decreased by \$398,177 and resulted in an ending fund balance of \$7,121,030.

For the City's Public Works Fund, from 2023 to 2024, total revenue increased by 4% primarily due to an increase in the property tax millage rate. Total expenditures increased by 5.0% due to an overall increase in public works expenditures approved by the board in the 2024 budget. The Public Works Fund reported a net increase in fund balance of \$436,032, which resulted in an ending fund balance of \$1,999,798.

The City's American Rescue Plan Act Fund was set up in 2022 to account for the funding received from the U.S. Department of Treasury under the Coronavirus State and Local Fiscal Recovery Funds. The American Rescue Plan Act Fund reported no change in fund balance for the year which resulted in an ending fund balance of \$0.

**Proprietary funds** - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of Texarkana, Arkansas Water Utilities at the end of the year amounted to \$628,003. The total increase in net position for Texarkana, Arkansas Water Utilities was \$7,459,702. The increase for the Texarkana, Arkansas Water Utilities was primarily attributable to increase in water sales and sewer charges due to increased water usage.

### **General Fund Budgetary Highlights**

The City made revisions to the original appropriations approved by the Board of Directors. Overall, actual results reflected a net decrease and negative change in fund balance of \$398,117 or ending fund balance of \$7,121,030. Significant variances between the final amended budget and actuals occurred as a result of various factors and reflected a net increase in fund balance of \$542,432 over the final budget. This is mostly a result of expenditures being under budget by \$155,869 and revenues being under budget by \$392,534. This was offset by other financing uses being under budget by \$779,097. Capital Outlay expenditures were under budget by \$58,737. This is primarily due to various budgeted capital outlay projects that were not completed during 2024 due to time constraints or planned multi-year projects. General government expenditures were under budget by \$691,306 and police department expenditures were over budget by \$504,359. Total revenues were under budget due to sales and other tax revenue being under budget by \$238,100 and fines, forfeitures and penalties being under budget by \$169,361.

### **Capital Assets**

The City of Texarkana, Arkansas' investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$97,799,066 (net of accumulated depreciation and amortization expense). This investment in capital assets includes land, buildings, improvements other

than buildings, machinery and equipment, infrastructure, water rights, construction in progress, and lease assets.

**Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,563,907	\$ 2,563,907	\$ 832,844	\$ 832,844	\$ 3,396,751	\$ 3,396,751
Buildings	5,181,199	5,002,700	674,373	630,472	5,855,572	5,633,172
Improvements other than buildings	8,058,457	2,352,682	27,010,865	28,132,139	35,069,322	30,484,821
Machinery and equipment	5,098,180	5,482,363	1,805,017	1,865,858	6,903,197	7,348,221
Infrastructure	17,499,789	21,104,196	-	-	17,499,789	21,104,196
Right to use assets	389,526	510,391	-	-	389,526	510,391
Water rights	-	-	17,784,128	17,784,128	17,784,128	17,784,128
Construction in progress	1,707,800	3,300,814	9,192,981	865,272	10,900,781	4,166,086
Total	<u>\$ 40,498,858</u>	<u>\$ 40,317,053</u>	<u>\$ 57,300,208</u>	<u>\$ 50,110,713</u>	<u>\$ 97,799,066</u>	<u>\$ 90,427,766</u>

Major capital asset additions for the governmental activities and business-type activities during 2024 included approximately \$3.8 million and \$970 thousand respectively for various construction in progress projects. The increase in governmental activities is due to investments in buildings, machinery and equipment. The decrease in capital assets for business-type activities is due to depreciation expense exceeding capital purchases in the current year. Additional information on the City of Texarkana, Arkansas' capital assets can be found in *Note 3* of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the governmental activities of the City of Texarkana, Arkansas had total bonded debt of \$14,707,026. Of this amount, \$3,702,352 comprises bonded debt backed by the full faith and credit of the government and \$11,004,674 represents bonds secured solely by franchise fees charged to public utilities for the privilege of using the City's streets and rights-of-way. Business-type activities long-term debt of \$22,629,983 represents bonds secured solely by water and sewer revenues.

**General Obligation and Revenue Bonds**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds, net	\$ 3,702,352	\$ 4,650,816	\$ -	\$ -	\$ 3,702,352	\$ 4,650,816
Revenue bonds, net	11,004,674	11,736,076	22,629,983	23,723,491	33,634,657	35,459,567
Total	<u>\$ 14,707,026</u>	<u>\$ 16,386,892</u>	<u>\$ 22,629,983</u>	<u>\$ 23,723,491</u>	<u>\$ 37,337,009</u>	<u>\$ 40,110,383</u>

The City has a rating Aa3 from Moody's Investors Service for general obligation and revenue bonds.

Additional information of the City of Texarkana, Arkansas' long-term obligations can be found in *Note 5* of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

In order to offset salary increase and associated benefits since 1996, the City has collected a special 0.25% sales tax for both the Police and Fire departments. The board of directors adopted competitive pay ordinances for both the Police and Fire departments, ordinances 18-2019 and 19-2019, in order to regain control of determining the amount and timing of COLA increases.

The cost of housing inmates continues to be an issue for the City and will continue to be a budget issue for 2024 and beyond.

### **REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, Attn: Shena Washington, Finance Director, at P.O. Box 2711, Texarkana, Arkansas 75504, call 870.779.4954, or email [Shena.Washington@txkusa.org](mailto:Shena.Washington@txkusa.org).

## **Basic Financial Statements**

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Texarkana Advertising & Promotion Commission
<b>Assets</b>				
Cash	\$ 6,047,453	\$ 3,568,765	\$ 9,616,218	\$ 854,415
Investments	2,741,674	619,835	3,361,509	-
Accounts receivable, net of allowance				
Property taxes	7,029,639	-	7,029,639	-
Accounts	446,546	1,884,710	2,331,256	-
Other government agencies	3,599,822	351,003	3,950,825	-
Accrued interest	-	545	545	-
Other	7	-	7	130,855
Due from fiduciary funds	14,426	-	14,426	-
Due from primary government	-	-	-	53,716
Inventories	-	526,553	526,553	-
Prepaid items	27,500	129,720	157,220	883
Restricted assets				
Cash	3,756,646	22,021,308	25,777,954	-
Investments	-	102,674	102,674	-
Accounts receivable	-	6,788	6,788	-
Prepaid capital improvement deposits	-	446,022	446,022	-
Net investment in direct financing lease:				
Due within one year	-	412,120	412,120	-
Due in more than one year	-	1,357,007	1,357,007	-
Investment in joint ventures	38,320,004	-	38,320,004	-
Net pension asset	-	2,475,546	2,475,546	-
Capital assets				
Lease assets, net	389,526	-	389,526	-
Non-depreciable	4,271,707	27,809,953	32,081,660	126,850
Depreciable, net	35,837,625	29,490,255	65,327,880	372,816
Total assets	102,482,575	91,202,804	193,685,379	1,539,535
<b>Deferred Outflows of Resources</b>				
Deferred outflows - pension	4,214,625	531,173	4,745,798	-
Deferred outflows - pension contributions	1,992,006	433,187	2,425,193	-
Deferred outflows - other postemployment benefits	475,950	25,257	501,207	-
Deferred outflows - bond refunding	505,716	-	505,716	-
Total deferred outflows of resources	7,188,297	989,617	8,177,914	-

**City of Texarkana, Arkansas**  
**Statement of Net Position (Continued)**  
**December 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Texarkana Advertising & Promotion Commission
<b>Liabilities</b>				
Accounts payable	\$ 1,702,178	\$ 149,580	\$ 1,851,758	\$ 30,667
Accrued liabilities	599,447	507,306	1,106,753	44,122
Due to other governments	799,829	1,007,038	1,806,867	-
Due to fiduciary funds	576,162	-	576,162	-
Due to component unit	53,716	-	53,716	-
Customer deposits	-	610,513	610,513	-
Capital improvement deposits	-	880,983	880,983	-
Unearned revenue	210,164	-	210,164	-
Other liabilities	42,454	2,771,599	2,814,053	-
Long-term liabilities				
Due within one year:				
Bonds payable	1,030,000	1,166,595	2,196,595	-
Notes payable	165,312	-	165,312	-
Lease payable	160,759	-	160,759	-
Accrued compensated absences	237,937	40,215	278,152	-
Contracts payable	-	181,861	181,861	-
Total other postemployment benefits liability	173,277	-	173,277	-
Due in more than one year				
Bonds payable, net	13,677,026	21,463,388	35,140,414	-
Notes payable	953,372	-	953,372	-
Lease payable	181,800	-	181,800	-
Accrued compensated absences	1,593,437	226,201	1,819,638	-
Net pension and total other postemployment benefits liability	31,048,932	2,602,869	33,651,801	-
Contracts payable	-	13,483,073	13,483,073	-
Total liabilities	53,205,802	45,091,221	98,297,023	74,789
<b>Deferred Inflows of Resources</b>				
Deferred inflows - pension	2,194,070	102,654	2,296,724	-
Deferred inflows - other postemployment benefits	2,205,209	146,594	2,351,803	-
Total deferred inflows of resources	4,399,279	249,248	4,648,527	-
<b>Net Position</b>				
Net investment in capital assets	24,836,305	43,129,273	67,965,578	499,666
Restricted				
Police department	67,831	-	67,831	-
Fire department	124,341	-	124,341	-
Public works	1,347,004	-	1,347,004	-
Pension asset	-	2,475,546	2,475,546	-
Animal shelter	13,706	-	13,706	-
Cultural and recreation	47,409	-	47,409	965,080
Debt service	2,210,486	-	2,210,486	-
Unrestricted	23,418,709	1,247,133	24,665,842	-
Total net position	\$ 52,065,791	\$ 46,851,952	\$ 98,917,743	\$ 1,464,746

**City of Texarkana, Arkansas**  
**Statement of Activities**  
**Year Ended December 31, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Texarkana Advertising & Promotion Commission
<b>Primary Government</b>								
Governmental Activities								
General administration	\$ 6,749,641	\$ 233,104	\$ 1,384,135	\$ 131,685	\$ (5,000,717)	\$ -	\$ (5,000,717)	
Police department	7,869,697	907,281	328,683	-	(6,633,733)	-	(6,633,733)	
Fire department	5,610,446	-	-	-	(5,610,446)	-	(5,610,446)	
Other public safety	2,513,767	-	282,807	-	(2,230,960)	-	(2,230,960)	
Protective inspection	656,071	-	-	-	(656,071)	-	(656,071)	
Public works	9,034,637	5,720,721	2,236,075	-	(1,077,841)	-	(1,077,841)	
Public services	63,877	7,487	13,916,635	475,225	14,335,470	-	14,335,470	
Health and welfare	620,326	-	-	-	(620,326)	-	(620,326)	
Cultural and recreation	1,794,449	-	210,046	-	(1,584,403)	-	(1,584,403)	
Interest on long-term debt	483,078	-	-	-	(483,078)	-	(483,078)	
Total governmental activities	<u>35,395,989</u>	<u>6,868,593</u>	<u>18,358,381</u>	<u>606,910</u>	<u>(9,562,105)</u>	<u>-</u>	<u>(9,562,105)</u>	
Business-Type Activities								
Texarkana Water Utilities	14,362,381	15,584,120	-	5,078,026	-	6,299,765	6,299,765	
Total business-type activities	<u>14,362,381</u>	<u>15,584,120</u>	<u>-</u>	<u>5,078,026</u>	<u>-</u>	<u>6,299,765</u>	<u>6,299,765</u>	
Total primary government	<u>\$ 49,758,370</u>	<u>\$ 22,452,713</u>	<u>\$ 18,358,381</u>	<u>\$ 5,684,936</u>	<u>(9,562,105)</u>	<u>6,299,765</u>	<u>(3,262,340)</u>	
<b>Component Unit</b>								
Texarkana Advertising & Promotion	<u>\$ 1,480,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (1,480,971)</u>

**City of Texarkana, Arkansas**  
**Statement of Activities (Continued)**  
**Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Texarkana Advertising & Promotion Commission
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
General revenues								
Property taxes				\$ 6,464,384	\$ -	\$ 6,464,384	\$ -	
Sales taxes				13,248,843	-	13,248,843	-	
Franchise taxes				3,227,188	-	3,227,188	-	
Other taxes				123,176	-	123,176	1,420,773	
Unrestricted investment earnings				53,083	1,943,559	1,996,642	406	
Miscellaneous				748,496	-	748,496	47	
Grants not restricted to specific programs				4,194,467	-	4,194,467	-	
Transfers				514,082	(348,740)	165,342	-	
Total general revenues and transfers				28,573,719	1,594,819	30,168,538	1,421,226	
Change in Net Position				19,011,614	7,894,584	26,906,198	(59,745)	
Net Position, Beginning of Year				33,054,177	38,957,368	72,011,545	1,524,491	
Net Position, End of Year				\$ 52,065,791	\$ 46,851,952	\$ 98,917,743	\$ 1,464,746	

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

	General	Public Works	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 5,635,125	\$ 1,008,212	\$ 412,328	\$ 2,748,434	\$ 9,804,099
Investments	601,748	-	-	2,139,926	2,741,674
Receivables					
Property taxes, net of allowance for uncollectible accounts of \$369,212	3,932,083	1,010,680	-	2,086,876	7,029,639
Accounts	446,546	-	-	-	446,546
Other government agencies	2,901,462	682,552	-	15,808	3,599,822
Other	-	-	-	7	7
Due from other funds	387,793	941,788	-	3,109	1,332,690
Prepaid items	2,500	25,000	-	-	27,500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 13,907,257</u>	<u>\$ 3,668,232</u>	<u>\$ 412,328</u>	<u>\$ 6,994,160</u>	<u>\$ 24,981,977</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 657,474	\$ 645,615	\$ -	\$ 399,089	\$ 1,702,178
Accrued liabilities	373,725	54,386	-	-	428,111
Due to other governments	799,822	-	-	7	799,829
Due to other funds	1,326,274	2,206	264,090	301,856	1,894,426
Due to component unit	-	-	-	53,716	53,716
Unearned revenue	61,926	-	148,238	-	210,164
Other liabilities	-	42,454	-	-	42,454
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>3,219,221</u>	<u>744,661</u>	<u>412,328</u>	<u>754,668</u>	<u>5,130,878</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-property taxes	3,567,006	923,773	-	1,915,787	6,406,566
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>3,567,006</u>	<u>923,773</u>	<u>-</u>	<u>1,915,787</u>	<u>6,406,566</u>
<b>Fund Balances (Deficit)</b>					
<b>Nonspendable</b>					
Prepaid items	2,500	25,000	-	-	27,500
<b>Restricted</b>					
Police department	-	-	-	67,831	67,831
Fire department	-	-	-	124,341	124,341
Public works	-	-	-	1,347,004	1,347,004
Debt service	-	-	-	2,381,822	2,381,822
Animal shelter	13,706	-	-	-	13,706
Culture and recreation	-	-	-	47,409	47,409
<b>Committed</b>					
Public works	-	425,139	-	-	425,139
Cultural and recreation	11,723	-	-	-	11,723
<b>Assigned</b>					
Police department	36,496	-	-	105,324	141,820
Other public safety	761,635	-	-	-	761,635
Public works	30,292	1,549,659	-	356,909	1,936,860
Unassigned	6,264,678	-	-	(106,935)	6,157,743
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>7,121,030</u>	<u>1,999,798</u>	<u>-</u>	<u>4,323,705</u>	<u>13,444,533</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 13,907,257</u>	<u>\$ 3,668,232</u>	<u>\$ 412,328</u>	<u>\$ 6,994,160</u>	<u>\$ 24,981,977</u>

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

**Total fund balances - total governmental funds** \$ 13,444,533

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

Capital and lease assets used in governmental activities are not financial resources and are not reported in the funds. 40,498,858

Deferred inflows and outflows of resources related to pensions and total other postemployment benefits and bond refundings are not due and payable in the current period and, therefore, are not reported in the funds. 2,789,018

The City's equity investment in joint ventures is not a financial resource and, therefore, is not reported in the funds. 38,320,004

Other long-term assets, such as property tax receivables, are not available to pay for current-period expenditures and, therefore, are presented as deferred inflows in the funds. 6,406,566

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities are as follows:

Accrued interest payable (171,336)

Accrued compensated absences (1,831,374)

Net pension and total other postemployment benefits liability (31,222,209)

Bonds payable, net of unamortized premiums (14,707,026)

Lease payable (342,559)

Notes payable (1,118,684)

**Total net position - governmental activities** **\$ 52,065,791**

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

	General	Public Works	American Rescue Plan Fund	Other Governmental Funds	Total
<b>Revenues</b>					
Property taxes	\$ 3,212,793	\$ 813,879	\$ -	\$ 1,681,920	\$ 5,708,592
Sales taxes	13,031,540	217,303	-	-	13,248,843
Other taxes	123,176	-	-	-	123,176
Utility franchise	3,227,188	-	-	-	3,227,188
Licenses and permits	58,402	235,308	-	-	293,710
Fines, forfeitures and penalties	867,453	-	-	12,698	880,151
Charges for services	182,189	5,485,413	-	27,130	5,694,732
Grants and entitlements	308,168	29,952	4,194,467	660,350	5,192,937
Intergovernmental	1,442,845	2,206,123	-	173,024	3,821,992
Investment income	2,563	731	-	49,789	53,083
Miscellaneous	478,124	194,130	-	76,242	748,496
Total revenues	<u>22,934,441</u>	<u>9,182,839</u>	<u>4,194,467</u>	<u>2,681,153</u>	<u>38,992,900</u>
<b>Expenditures</b>					
Current:					
General government	3,917,966	-	2,694,750	56,350	6,669,066
Police department	7,918,839	-	-	-	7,918,839
Fire department	5,872,222	-	-	-	5,872,222
Other public safety	2,445,088	-	-	77,120	2,522,208
Protective inspection	-	624,501	-	-	624,501
Public works	-	7,440,786	-	93,153	7,533,939
Public services	-	-	-	93,265	93,265
Health and welfare	586,342	-	-	-	586,342
Cultural and recreation	309,207	-	-	1,151,712	1,460,919
Capital outlay	703,321	1,066,827	1,499,717	238,205	3,508,070
Debt service:					
Principal retirement	167,623	131,655	-	1,706,000	2,005,278
Interest and fiscal charges	27,936	14,441	-	428,082	470,459
Total expenditures	<u>21,948,544</u>	<u>9,278,210</u>	<u>4,194,467</u>	<u>3,843,887</u>	<u>39,265,108</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>985,897</u>	<u>(95,371)</u>	<u>-</u>	<u>(1,162,734)</u>	<u>(272,208)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	735,488	829,992	-	1,384,693	2,950,173
Transfers out	(2,119,502)	(298,589)	-	(18,000)	(2,436,091)
Total other financing sources (uses)	<u>(1,384,014)</u>	<u>531,403</u>	<u>-</u>	<u>1,366,693</u>	<u>514,082</u>
<b>Net Change in Fund Balances</b>	(398,117)	436,032	-	203,959	241,874
<b>Fund Balances, Beginning of Year</b>	<u>7,519,147</u>	<u>1,563,766</u>	<u>-</u>	<u>4,119,746</u>	<u>13,202,659</u>
<b>Fund Balances, End of Year</b>	<u>\$ 7,121,030</u>	<u>\$ 1,999,798</u>	<u>\$ -</u>	<u>\$ 4,323,705</u>	<u>\$ 13,444,533</u>

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

Net change in fund balances - total governmental funds \$ 241,874

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The Statement of Activities reports a gain or loss on the sale of the asset based on the proceeds received and the net book value of the asset at the time of the disposal and the accumulated depreciation of assets disposed

Capital purchases	3,508,070
Loss on disposal of capital assets	(6,011)
Depreciation and amortization expense – capital and lease assets	(3,320,254)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 755,792

Gains from the change in the equity investment in joint ventures do not provide current financial resources and are not reported in the funds. 14,151,986

The issuance of long-term debt (*e.g.*, bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal paid on long-term debt	2,005,278
Amortization of premiums and discounts	9,866
Net change in deferred outflows of resources related to bond refunding	(32,472)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the net change in these items this year.

Accrued interest	9,987
Accrued compensated absences	86,769
Net pension liability	4,691,339
Total other postemployment benefits liability	1,245,998
Net change in deferred inflows/outflows of resources related to pensions and total other postemployment benefits liability	<u>(4,336,608)</u>

**Change in net position of governmental activities \$ 19,011,614**

**City of Texarkana, Arkansas**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balances – Budget and Actual – General Fund**  
**Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 3,153,450	\$ 3,216,100	\$ 3,212,793	\$ (3,307)
Sales taxes	13,404,000	13,134,000	13,031,540	(102,460)
Other taxes	215,400	258,816	123,176	(135,640)
Utility franchise	3,875,500	3,313,241	3,227,188	(86,053)
Licenses and permits	52,775	57,335	58,402	1,067
Fines, forfeitures and penalties	663,114	1,036,814	867,453	(169,361)
Charges for services	115,100	121,600	182,189	60,589
Grants and entitlements	314,825	307,216	308,168	952
Intergovernmental	1,467,921	1,428,086	1,442,845	14,759
Investment income	1,810	1,810	2,563	753
Miscellaneous	263,301	451,957	478,124	26,167
<b>Total revenues</b>	<u>23,527,196</u>	<u>23,326,975</u>	<u>22,934,441</u>	<u>(392,534)</u>
<b>Expenditures</b>				
Current:				
General government	4,671,382	4,609,272	3,917,966	691,306
Police department	9,403,350	8,054,706	7,918,839	135,867
Fire department	6,089,418	6,001,307	5,872,222	129,085
Other public safety	1,695,412	1,696,332	2,445,088	(748,756)
Health and welfare	689,140	601,838	586,342	15,496
Cultural and recreation	308,146	310,600	309,207	1,393
Capital outlay	298,200	762,058	703,321	58,737
Debt service:				
Principal retirement	4,840	68,300	167,623	(99,323)
Interest and fiscal charges	-	-	27,936	(27,936)
<b>Total expenditures</b>	<u>23,159,888</u>	<u>22,104,413</u>	<u>21,948,544</u>	<u>155,869</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>367,308</u>	<u>1,222,562</u>	<u>985,897</u>	<u>(236,665)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	332,551	341,551	735,488	393,937
Transfers out	(2,868,876)	(2,504,662)	(2,119,502)	385,160
<b>Total other financing sources (uses)</b>	<u>(2,536,325)</u>	<u>(2,163,111)</u>	<u>(1,384,014)</u>	<u>779,097</u>
<b>Net Change in Fund Balances</b>	(2,169,017)	(940,549)	(398,117)	542,432
<b>Fund Balances, Beginning of Year</b>	<u>7,519,147</u>	<u>7,519,147</u>	<u>7,519,147</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 5,350,130</u>	<u>\$ 6,578,598</u>	<u>\$ 7,121,030</u>	<u>\$ 542,432</u>

**City of Texarkana, Arkansas**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balances – Budget and Actual – Public Works Fund**  
**Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 122,000	\$ 778,500	\$ 813,879	\$ 35,379
Sales taxes	189,000	223,500	217,303	(6,197)
Licenses and permits	309,500	268,255	235,308	(32,947)
Charges for services	5,466,000	5,819,000	5,485,413	(333,587)
Grants and entitlements	-	29,952	29,952	-
Intergovernmental	2,427,000	2,264,000	2,206,123	(57,877)
Investment income	-	-	731	731
Miscellaneous	26,800	112,921	194,130	81,209
	<u>8,540,300</u>	<u>9,496,128</u>	<u>9,182,839</u>	<u>(313,289)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current:				
Protective inspection	670,998	626,492	624,501	1,991
Public works	8,045,848	7,815,802	7,440,786	375,016
Capital outlay	1,715,000	2,403,791	1,066,827	1,336,964
Debt Service				
Principal retirement	-	138,049	131,655	6,394
Interest and fiscal charges	-	-	14,441	(14,441)
	<u>10,431,846</u>	<u>10,984,134</u>	<u>9,278,210</u>	<u>1,705,924</u>
<b>Total expenditures</b>				
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>				
	<u>(1,891,546)</u>	<u>(1,488,006)</u>	<u>(95,371)</u>	<u>1,392,635</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,114,809	1,114,809	829,992	(284,817)
Transfers out	-	-	(298,589)	(298,589)
	<u>1,114,809</u>	<u>1,114,809</u>	<u>531,403</u>	<u>(583,406)</u>
<b>Total other financing sources (uses)</b>				
<b>Net Change in Fund Balances</b>				
	(776,737)	(373,197)	436,032	809,229
<b>Fund Balances, Beginning of Year</b>				
	<u>1,563,766</u>	<u>1,563,766</u>	<u>1,563,766</u>	<u>-</u>
<b>Fund Balances, End of Year</b>				
	<u>\$ 787,029</u>	<u>\$ 1,190,569</u>	<u>\$ 1,999,798</u>	<u>\$ 809,229</u>

**City of Texarkana, Arkansas**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balances – Budget and Actual – American Rescue Plan Fund**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Grants and entitlements	\$ 3,218,310	\$ 4,342,705	\$ 4,194,467	\$ (148,238)
Total revenues	<u>3,218,310</u>	<u>4,342,705</u>	<u>4,194,467</u>	<u>(148,238)</u>
<b>Expenditures</b>				
Current:				
General government	1,022,847	1,088,968	2,694,750	(1,605,782)
Capital outlay	<u>2,195,463</u>	<u>3,223,907</u>	<u>1,499,717</u>	<u>1,724,190</u>
Total expenditures	<u>3,218,310</u>	<u>4,312,875</u>	<u>4,194,467</u>	<u>118,408</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>29,830</u>	<u>-</u>	<u>(29,830)</u>
<b>Net Change in Fund Balances</b>	-	29,830	-	(29,830)
<b>Fund Balances, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ 29,830</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (29,830)</u></u>

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**City of Texarkana, Arkansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2024**

	<u>Texarkana Water Utilities</u>		<u>Total Enterprise Funds</u>
	<u>Water Utilities</u>	<u>Nonmajor Enterprise Funds</u>	
<b>Assets</b>			
<b>Current assets</b>			
Cash	\$ 2,807,267	\$ 761,498	\$ 3,568,765
Investments	575,832	44,003	619,835
Receivables:			
Accounts (net of allowance for uncollectible)	1,751,167	133,543	1,884,710
Accrued interest	544	1	545
Due from other funds	16,654	1,940	18,594
Due from other governments	342,486	8,517	351,003
Inventories	526,553	-	526,553
Prepaid items	128,287	1,433	129,720
Other	412,120	-	412,120
Total current assets	<u>6,560,910</u>	<u>950,935</u>	<u>7,511,845</u>
<b>Noncurrent assets</b>			
Restricted assets			
Cash	21,952,951	68,357	22,021,308
Investments	-	102,674	102,674
Receivables			
Interest	6,786	2	6,788
Total restricted assets	<u>21,959,737</u>	<u>171,033</u>	<u>22,130,770</u>
Capital assets (net of accumulated depreciation)			
Land	817,397	15,447	832,844
Buildings	672,992	1,381	674,373
Improvements other than buildings	18,861,851	1,599,065	20,460,916
Machinery and equipment	1,767,814	37,203	1,805,017
Intersystem shared assets	6,549,949	-	6,549,949
Water rights	17,784,128	-	17,784,128
Construction in progress	8,928,908	264,073	9,192,981
Net capital assets	<u>55,383,039</u>	<u>1,917,169</u>	<u>57,300,208</u>
Other assets			
Prepaid capital improvement deposits	446,022	-	446,022
Net pension asset	2,475,546	-	2,475,546
Other	1,357,007	-	1,357,007
Total other assets	<u>4,278,575</u>	<u>-</u>	<u>4,278,575</u>
Total noncurrent assets	<u>81,621,351</u>	<u>2,088,202</u>	<u>83,709,553</u>
Total assets	<u>88,182,261</u>	<u>3,039,137</u>	<u>91,221,398</u>

**City of Texarkana, Arkansas**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**December 31, 2024**

	<u>Texarkana Water Utilities</u>		<b>Total Enterprise Funds</b>
	<b>Water Utilities</b>	<b>Nonmajor Enterprise Funds</b>	
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pension	\$ 514,501	\$ 16,672	\$ 531,173
Deferred outflows - pension contributions	433,187	-	433,187
Deferred outflows - other postemployment benefits	25,257	-	25,257
	<u>972,945</u>	<u>16,672</u>	<u>989,617</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	148,077	1,503	149,580
Construction contracts payable	181,861	-	181,861
Accrued liabilities	161,395	7,874	169,269
Accrued interest payable	335,037	3,000	338,037
Due to other funds	-	18,594	18,594
Due to other governments	979,506	27,532	1,007,038
Other payables	2,576,725	194,874	2,771,599
Compensated absences - current portion	40,215	-	40,215
Bonds payable - current portion	1,033,448	133,147	1,166,595
	<u>5,456,264</u>	<u>386,524</u>	<u>5,842,788</u>
<b>Noncurrent liabilities</b>			
Customer deposits	575,558	34,955	610,513
Capital improvement deposits	863,242	17,741	880,983
Contracts payable	13,483,073	-	13,483,073
Compensated absences	226,201	-	226,201
Net pension and total OPEB liability	2,562,283	40,586	2,602,869
Revenue bonds, net	21,390,970	72,418	21,463,388
	<u>39,101,327</u>	<u>165,700</u>	<u>39,267,027</u>
<b>Total liabilities</b>	<u>44,557,591</u>	<u>552,224</u>	<u>45,109,815</u>

**City of Texarkana, Arkansas**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**December 31, 2024**

	<u>Texarkana Water Utilities</u>		<b>Total Enterprise Funds</b>
	<b>Water Utilities</b>	<b>Nonmajor Enterprise Funds</b>	
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pension	100,834	1,820	102,654
Deferred inflows - other postemployment benefits	146,594	-	146,594
Total deferred inflows of resources	<u>247,428</u>	<u>1,820</u>	<u>249,248</u>
<b>Net Position</b>			
Net investment in capital assets	41,246,638	1,882,635	43,129,273
Restricted for pensions	2,475,546	-	2,475,546
Unrestricted	628,003	619,130	1,247,133
Total net position	<u>\$ 44,350,187</u>	<u>\$ 2,501,765</u>	<u>\$ 46,851,952</u>

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

	<b>Texarkana Water Utilities</b>		<b>Total Enterprise Funds</b>
	<b>Water Utilities</b>	<b>Nonmajor Enterprise Funds</b>	
<b>Operating Revenues</b>			
Water sales	\$ 6,732,592	\$ 873,286	\$ 7,605,878
Wholesale water sales	93,515	-	93,515
Water connection fees	2,775	1,575	4,350
Sewer charges	5,789,482	-	5,789,482
Penalties and service charges	413,425	30,716	444,141
Other income	1,638,578	8,176	1,646,754
	<u>14,670,367</u>	<u>913,753</u>	<u>15,584,120</u>
Total operating revenues			
<b>Operating Expenses</b>			
Administrative	266,240	-	266,240
Finance	266,542	8,980	275,522
Information technology	420,234	-	420,234
Customer service	475,237	62,256	537,493
Water production	2,589,575	175,199	2,764,774
Waster distribution	711,689	31,680	743,369
Sewer collection	607,414	1,161	608,575
Inflow and infiltration	118,487	-	118,487
Wastewater treatment	2,053,111	-	2,053,111
Environmental service	189,781	-	189,781
Engineer design	284,217	843	285,060
Geographical information systems	174,418	-	174,418
Composting	171,581	-	171,581
Operations administration	125,518	-	125,518
Service center	465,400	-	465,400
Field service	327,396	43,429	370,825
Construction oversight	835,733	16,545	852,278
Depreciation	1,985,614	123,028	2,108,642
Other expenses	-	7,990	7,990
Other managed systems	27,579	-	27,579
	<u>12,095,766</u>	<u>471,111</u>	<u>12,566,877</u>
Total operating expenses			
<b>Operating Income</b>	<u>2,574,601</u>	<u>442,642</u>	<u>3,017,243</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income - investments	1,332,017	1,396	1,333,413
Interest income - notes payable	610,146	-	610,146
Interest expense and paying agent fees	(1,786,348)	(9,156)	(1,795,504)
	<u>155,815</u>	<u>(7,760)</u>	<u>148,055</u>
Total nonoperating revenues (expenses)			
<b>Income Before Capital Grants and Transfers</b>	2,730,416	434,882	3,165,298
<b>State grants</b>	5,078,026	-	5,078,026
<b>Transfers Out</b>	(348,740)	-	(348,740)
	<u>7,459,702</u>	<u>434,882</u>	<u>7,894,584</u>
<b>Changes in Net Position</b>			
Net Position, Beginning of Year	36,890,485	2,066,883	38,957,368
Net Position, End of Year	<u>\$ 44,350,187</u>	<u>\$ 2,501,765</u>	<u>\$ 46,851,952</u>

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

	<u>Texarkana Water Utilities</u>		<b>Total</b>
	<b>Water Utilities</b>	<b>Nonmajor Enterprise Funds</b>	
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 14,128,283	\$ 878,980	\$ 15,007,263
Cash paid to suppliers	(5,496,980)	(140,082)	(5,637,062)
Cash paid to employees	(3,640,661)	(68,832)	(3,709,493)
	<u>4,990,642</u>	<u>670,066</u>	<u>5,660,708</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers paid to City general fund	(348,740)	-	(348,740)
	<u>(348,740)</u>	<u>-</u>	<u>(348,740)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(8,985,549)	(312,588)	(9,298,137)
Principal paid on bonds	(823,967)	(269,541)	(1,093,508)
Interest paid on bonds	(1,561,883)	(13,234)	(1,575,117)
Principal received on notes payable	(192,810)	-	(192,810)
Interest received on notes payable	610,146	-	610,146
Capital improvement deposits returned	540,223	29,267	569,490
Payment on contracts payable	(177,196)	-	(177,196)
State grants received	5,078,026	-	5,078,026
	<u>(5,513,010)</u>	<u>(566,096)</u>	<u>(6,079,106)</u>
<b>Cash Flows From Investing Activities</b>			
Purchase of investments	(588,220)	(146,685)	(734,905)
Proceeds from sale and maturities of investments	712,373	146,673	859,046
Interest received on investments	1,331,442	1,394	1,332,836
	<u>1,455,595</u>	<u>1,382</u>	<u>1,456,977</u>
<b>Increase in Cash</b>	584,487	105,352	689,839
<b>Cash, Beginning of Year</b>	<u>24,175,731</u>	<u>724,503</u>	<u>24,900,234</u>
<b>Cash, End of Year</b>	<u>\$ 24,760,218</u>	<u>\$ 829,855</u>	<u>\$ 25,590,073</u>
<b>Cash of Proprietary Funds, as Presented, on the "Statement of Net Position - Proprietary Funds" is as Follows:</b>			
Cash	\$ 2,807,267	\$ 761,498	\$ 3,568,765
Restricted cash	21,952,951	68,357	22,021,308
	<u>\$ 24,760,218</u>	<u>\$ 829,855</u>	<u>\$ 25,590,073</u>

**City of Texarkana, Arkansas**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended December 31, 2024**

	<u>Texarkana Water Utilities</u>		<b>Total</b>
	<b>Water</b> <b>Utilities</b>	<b>Nonmajor</b> <b>Enterprise</b> <b>Funds</b>	
<b>Reconciliation of Operating Income to</b>			
<b>Net Cash Provided by Operating Activities</b>			
Operating income	\$ 2,574,601	\$ 442,642	\$ 3,017,243
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,985,614	123,028	2,108,642
(Increase) decrease in assets:			
Accounts receivable	(583,180)	(32,940)	(616,120)
Due from other governments	23,776	(69)	23,707
Due from other funds	(145,147)	(4,645)	(149,792)
Inventories	(107,592)	-	(107,592)
Prepaid expenses	(31,532)	(54)	(31,586)
Net pension asset	(250,621)	-	(250,621)
(Increase) decrease in deferred outflows	650,922	16,377	667,299
Increase (decrease) in liabilities:			
Accounts payable	(250,713)	(189)	(250,902)
Accrued liabilities	(31,165)	(40,759)	(71,924)
Due to other funds	(44,632)	7,457	(37,175)
Accrued compensated absences	37,217	-	37,217
Customer deposits	17,320	(1,764)	15,556
Net pension and total other postemployment benefits liabilities	(803,626)	(15,514)	(819,140)
Other payables	2,041,653	174,955	2,216,608
Increase (decrease) in deferred inflows	(92,253)	1,541	(90,712)
	<u>\$ 4,990,642</u>	<u>\$ 670,066</u>	<u>\$ 5,660,708</u>

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

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 798,152	\$ 341,435
Investments		
U.S. government obligations	1,161,995	-
Mortgage backed securities	348,058	-
Corporate bonds and notes	970,091	-
Mutual funds and other investments	7,264,200	-
Interest receivable	151,938	3,656
Due from other funds	576,162	-
Total assets	11,270,596	345,091
<b>Liabilities</b>		
Accounts payable	41,026	-
Total liabilities	41,026	-
<b>Net Position</b>		
Restricted for:		
Pensions	11,229,570	-
Other governments	-	345,091
Total net position	\$ 11,229,570	\$ 345,091

**City of Texarkana, Arkansas**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended December 31, 2024**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Employer	\$ 1,055,546	\$ -
Employee	9,469	-
Intergovernmental	362,022	-
Donations	-	80,000
Other	41,469	-
	1,468,506	80,000
Receipt of police bond funds	-	2,870,535
Investment income		
Net increase in fair value of investments	497,253	-
Interest and dividends	193,482	2,482
	690,735	2,482
Less investment expense	25,634	-
	665,101	2,482
Total additions	2,133,607	2,953,017
<b>Deductions</b>		
Benefits paid directly to participants	1,488,887	-
Return of police bond funds	-	2,834,340
Administrative expenses	15,146	-
	1,504,033	2,834,340
<b>Net Increase in Net Position</b>	629,574	118,677
<b>Net Position, Beginning of Year</b>	10,599,996	226,414
<b>Net Position, End of Year</b>	\$ 11,229,570	\$ 345,091

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

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

The City of Texarkana, Arkansas (the City), is a municipal corporation operating under the authority of Arkansas state statute. The City operates under a city manager form of government. Six elected directors and the Mayor set policy and employ the City Manager. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City.

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

The accompanying government-wide financial statements present the financial statements of the City of Texarkana and its component unit. The component unit is a legally separate entity for which the City is considered to be financially accountable. Accountability is defined as the City's substantive appointment of the majority of the component unit's governing board. Furthermore, to be financially accountable, the City must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to or impose specific financial burdens on the City. Component units can be further distinguished between *Blended Component Units*, presented as part of the primary government, and *Discretely Presented Component Units*, presented separately.

The City's Employee Defined Benefit Retirement System, Water Utilities Employee Defined Benefit Retirement System and Policemen's Defined Benefit Relief and Pension Plans are reported as fiduciary component units as fiduciary funds in the fiduciary funds statements. The other benefit plans are maintained by the Arkansas Local Police and Fire Retirement System (LOPFI), the Texas Municipal Retirement System (TMRS), and Arkansas Public Employees Retirement System (APERS) and are properly excluded from the financial statements.

The City's primary government consists of those funds or organizations that make up the legal entity for which it is financially responsible. Under these criteria, the following are included in the primary government reporting entity:

#### ***Discretely Presented Component Unit***

***Texarkana Advertising and Promotion Commission (Commission)*** – The Commission is governed by a seven member board appointed by the City Board of Directors. The Commission is comprised of four owners or managers of businesses in the tourism industry, two members of the City Board of Directors, and one member not associated with the tourism industry or the City Board of Directors. The Commission is primarily funded by a City tax imposed on gross receipts from hotel/motel and restaurant sales. Arkansas state statutes require this to be collected by the City. The proceeds of the tax are used for advertising and promoting the City. The City performs all accounting functions for the Commission. The City tax provided to the Commission during the year ended December 31, 2024, totaled \$1,420,773. The Commission does not have separately issued financial statements.

# **City of Texarkana, Arkansas**

## **Notes to Financial Statements**

### **December 31, 2024**

#### ***Joint Ventures***

##### ***Texarkana Airport Authority***

The City is a participant with Texarkana, Texas in a joint venture to operate Texarkana Regional Airport. The Texarkana Airport Authority was created in 1956 by ordinance enacted by the two cities. The governing body of Texarkana Airport Authority consists of eight members, four of whom are residents of Texarkana, Arkansas and four of whom are residents of Texarkana, Texas. Arkansas members are appointed by the City of Texarkana, Arkansas Board of Directors. Texas members are appointed by the mayor of the City of Texarkana, Texas. The Airport Authority Board has governance responsibilities over all activities relating to operating and maintaining the Texarkana Regional Airport. The Board receives funding from airport operations and from various local, state and federal agencies and must comply with any requirements of these funding sources.

Cumulative assets contributed to the Airport Authority as of December 31, 2023, consisted of \$4,077,341 by Texarkana, Arkansas and \$4,189,717 by Texarkana, Texas. The City of Texarkana, Arkansas' net investment and its share of operating results of the Airport Authority are reported in the City's financial statements within governmental activities as a joint venture. The City's equity interest in the Airport Authority was \$35,360,140 at December 31, 2023, which is the latest information available. Complete financial statements for the Authority can be obtained from the Texarkana Airport Authority's administrative office.

##### ***Bi-State Justice Center***

The City is also a participant in a joint venture in the Bi-State Justice Center with the City of Texarkana, Texas and Bowie County. The Bi-State Justice Center is jointly occupied by the law enforcement and criminal justice agencies of the City of Texarkana, Arkansas, the City of Texarkana, Texas, and Bowie County, Texas. The facility is located on the state line, half in Texarkana, Arkansas and half in Texarkana, Texas. The Intergovernmental Advisory Committee is responsible for the operations of the Center. This seven member committee is comprised two members from the City of Texarkana, Texas City Council, two members from the Texarkana, Arkansas Board of Directors, the Bowie County Judge, one Bowie County Commissioner, and one independent member. The original contract only names the two City Managers and the Judge. The annual budget is underwritten by the participating entities based on a formula which uses floor space occupied, one third each for Central Records and Communications and the number of prisoners in the detention facility for each entity.

The City of Texarkana, Arkansas' net investment in the Bi-State Justice Center is reported in the City's governmental activities as a joint venture. The City's equity interest at December 31, 2024, was \$1,767,868. Complete financial statements for the Bi-State Justice Center can be obtained from the City of Texarkana, Arkansas Finance Department.

# **City of Texarkana, Arkansas**

## **Notes to Financial Statements**

### **December 31, 2024**

#### ***Texarkana Urban Transit District (TUTD)***

The City of Texarkana, Arkansas is a participant with three other cities in the TUTD. The purpose of the TUTD is to provide public transportation services within the Texarkana urban area. The TUTD is a political subdivision district under the laws of the State of Texas as defined by Chapter 458 of the Texas Transportation code and Chapter 791 of the Texas Government Code.

Composition of the Transit District Board is as follows; the City of Texarkana, Arkansas – three members, one of whom is an elected official; the City of Texarkana, Texas – three members, one of whom is an elected official; the City of Wake Village, Texas – two members, one of whom is an elected official; and the City of Nash, Texas – two members, one of whom is an elected official.

The TUTD receives federal, state, and local funding, as well as user charges generated by the public transportation system. The City has an ongoing financial responsibility for the TUTD since the TUTD's continued existence depends on continued funding by the City.

The City of Texarkana, Arkansas' net investment in the TUTD is reported in the City's governmental activities as a joint venture. The City's interest at September 30, 2023, which is the latest information available, was \$1,191,996.

#### ***Jointly Governed Organizations***

The City's officials are responsible for appointing a portion of the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City Board of Directors or specific committees of the City Board appoint board members to the following organizations: Historic District Commission, Housing Authority, Texarkana Public Library Board, Public Facilities Board, Council of Governments Board, City Beautiful Commission and Solid Waste Management Committee. Positions on these boards are appointed in certain instances in entirety, partially, or with City Board members.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

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

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

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

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Expenses that cannot be specifically identified to a particular function are charged to funds based on time spent for that function and are included in the functional categories. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

##### **Fund Financial Statements**

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

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income.

The *Public Works Fund* accounts for the receipts and disbursements of state turnback funds, property taxes, licenses and permits, refuse collections and other revenues legally designated for street and refuse projects.

The *American Rescue Plan Fund* accounts for the receipt and disbursements of grant funds.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

The City reports the following major enterprise fund:

The Cities of Texarkana, Arkansas and Texarkana, Texas both have an undivided interest in the Texarkana Water Utilities (TWU). The following funds are reported in the audited financial statements for TWU and have a September 30 fiscal year-end. Transfers between Texarkana, Arkansas Water Utilities Fund and the City's governmental activities do not balance because TWU has a different year end than the City.

The *Texarkana, Arkansas Water Utilities Fund* accounts for the water and sewer services provided to the general public, industry, and other municipalities on the Arkansas side of the City of Texarkana.

Nonmajor funds of the City are comprised of the following:

*Special Revenue Funds* – The special revenue funds, which include federal grants, are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, which are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – The debt service funds are used to account for financial resources that are restricted, committed or assigned to the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Capital Projects Funds* – The capital projects funds are used to account for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities, other than those financed by enterprise funds.

*Enterprise Fund* – The enterprise funds are used to account for activities for which a fee is charged to external user for goods or services. The Union and Mandeville Utilities has a September 30 fiscal year-end.

Additionally, the City reports the following fund types:

*Pension Trust Funds* – Accounts for assets held in trust for the Texarkana, Arkansas Public Employee Retirement System and the Texarkana, Arkansas Water Utilities Employee Retirement System (both June 30 year-ends) and the Police Relief and Pension Fund. Plan trustees must act in accordance with the specific purposes and terms of these retirement plans.

*Custodial Fund* – Accounts for monies collected and held by the courts until they are disbursed to various governmental agencies and monies collected for the Airshow.

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

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

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

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

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

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

#### **Governmental Fund Financial Statements**

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

# **City of Texarkana, Arkansas**

## **Notes to Financial Statements**

### **December 31, 2024**

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

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

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

Cash and cash equivalents include demand deposits, cash on hand and short-term instruments with original maturities at purchase of 90 days or less. At December 31, 2024, cash equivalents consisted primarily of money market accounts with brokers.

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

All investments in the City's Pension Trust Funds are carried at fair value. For all other funds, investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one year or less at time of acquisition and in nonnegotiable certificates of deposit are carried at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market prices for all investments.

Net investment income (loss) includes dividend and interest income and the net change for the year in the fair value of investments. Investment income is credited to the fund from which the investments were made, except where required otherwise by bond indentures or City policy.

#### ***Inventories***

Inventories of the enterprise funds consist of repair materials and spare parts for water and wastewater treatment and distribution valued at the lower of average cost or market value. The costs of governmental fund type inventories are recorded as expenditures when purchased/constructed.

#### ***Prepaid Items***

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

#### ***Restricted Assets***

Certain proceeds of governmental and enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

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

**Capital Assets**

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

*Governmental activities and component units:*

Capital assets are defined as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year. Capital assets are depreciated using the straight-line method over their estimated useful lives ranging from 10 – 30 years for infrastructure, 40 years for buildings, 20 years for improvements other than buildings and 5 – 20 years for machinery and equipment.

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

*Business-type activities:*

Capital assets are defined by business type activities as assets with an initial, individual cost of more than the following amounts and an estimated life in excess of one year.

Furniture and fixtures	\$	300
Motor vehicles		1,000
Machinery and equipment		500
Communication equipment		500
Pumps and purification equipment		1,000
Buildings and facilities new improvements		1,000
Water and sewer systems		1,000

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Furniture and fixtures	5 years
Motor vehicles	5 years
Machinery and equipment	5 - 10 years
Communication equipment	5 years
Pumps and purification equipment	10 years
Buildings and facilities new improvements	10 - 50 years
Water and sewer systems	12 - 99 years

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

#### ***Unearned Revenue***

In the governmental funds, unearned revenue represents a liability for resources obtained prior to revenue recognition. The American Rescue Plan Fund had \$148,238 of unearned revenues at year-end related to cash received in advance of incurring eligible expenditures.

#### ***Pensions***

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

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

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

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

In addition to assets, the statement of net position and statement of fund net position and the balance sheet includes a separate section for deferred outflows of resources, which represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure/reduction in liability) until that time. The City has four items that qualify for reporting in this category. Two items are related to pensions, with one being the amount of contributions made to the pension plans after the measurement date, and the other comprised of the difference in assumption changes, the difference between actual and expected experience, net difference between projected and actual earnings on investments, and changes in proportion for cost-sharing plans. Deferred outflows related to contributions made after the measurement date will be recognized as a reduction of net pension liability in the following year ended December 31. The remaining amounts will be amortized over future periods as shown within *Note 9*. The third item relates to total OPEB for the difference between expected and actual experience of the total OPEB liability and changes in assumptions and will be amortized to OPEB expense over future periods as shown in *Note 11*. The fourth item is related to the deferred loss on bond refunding and will be amortized to interest expense over future periods.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

In addition to liabilities, the statement of net position, statement of fund net position and the balance sheet will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, unavailable revenue, deferred inflows-pensions, and deferred inflows – other postemployment benefits. Unavailable revenue arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, this item is only reported in the governmental funds balance sheet. Governmental funds report unavailable revenue from property taxes receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows - pensions, consists of changes in assumptions, the difference between the expected and actual experience related to the pension plans and the difference in investment experience between actual earnings and projected earnings on pension plan investments as well as the changes in proportion for cost-sharing plans. These amounts are amortized over future periods as shown within *Note 9*. The third item, deferred inflows – OPEB, consists of changes of assumptions and the difference between expected and actual experience. Deferred inflows – OPEB are amortized to OPEB expense over future periods as shown in *Note 11*.

#### **Lease Payable**

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities and business-type activities. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. Debt premiums, discounts and deferred losses on refundings are generally deferred and amortized using the effective interest rate method. Long-term debt is reported net of unamortized premiums or discounts.

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

#### ***Compensated Absences***

City employees earn sick pay and vacation leave benefits on the basis of length of service time. Subject to certain restrictions, City employees are compensated (historically from the fund which the employee is assigned) for unused sick and vacation time upon leaving the City's employment. All vacation and sick leave is accrued when earned in the government-wide and proprietary fund financial statements. In governmental funds, a liability for these amounts is reported only as payments come due each period upon the occurrence of relevant events such as employee resignations and retirements. General revenues are used to liquidate the liability for compensated absences from the fund in which the employee retired. The City's policy is that leave earned in the current year will be used prior to leave earned in previous periods. The compensated absences liability presented in *Note 5* is the net change in the liability.

#### ***Net Position***

Net position of the City is classified in three components. Net investment in capital assets, consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, or donors external to the City, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is remaining assets and deferred outflows less remaining liabilities and deferred inflows that do not meet the definition of net investment in capital assets, restricted expendable, or restricted nonexpendable.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

#### ***Fund Balance - Governmental Funds***

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

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

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

*Committed* - Committed fund balances may be used only for the specific purposes determined by resolution of the Board of Directors. Commitments may be changed or lifted only by issuance of a resolution by the City Board of Directors.

*Assigned* - Assigned fund balances are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the City Manager to assign fund balance. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are used first.

#### ***Restricted by Enabling Legislation***

The government-wide Statement of Net Position reports \$965,080 of restricted net position for Texarkana Advertising and Promotion Commission, which is restricted by enabling legislation. This amount consists of unspent hotel/motel taxes.

#### ***Budgetary Information***

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Public Works Fund, American Rescue Plan Act Fund and the following nonmajor special revenue funds: Community Development Block Grant, Police Fund, Domestic Violence, Front Street Project, Bail Bond, Parks and Recreation Fund, Court Automation, North Texarkana Redevelopment District, Library and Public Safety. All annual appropriations lapse at year end and are re-established in the succeeding year.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

The appropriated budget is prepared by fund, function, and activity. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors. The Board of Directors may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the Board of Directors. City policy prohibits budgeting total proposed expenditures in excess of total anticipated revenues and unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years. The legal level of budgetary control (*i.e.*, the lowest level at which expenditures may not legally exceed appropriation) is the fund level. The Board of Directors made several supplemental budgetary appropriations throughout the year.

#### ***Deficit Fund Equity***

At December 31, 2024, the Community Development Block Grant (CDBG) Fund and Parks and Recreation Fund, nonmajor funds, have deficit fund balances of \$26,992 and \$79,943, respectively. The deficits are due to funds not received within 60 days of year-end for the CDBG Fund and repair of equipment for the Parks and Recreation Fund and will be eliminated as additional revenues are received.

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

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

GASB Statement No. 102 – *Certain Risk Disclosures*: The objective of this statement is to provide users of financial statements with essential information regarding certain concentrations and constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This statement is effective for periods beginning after June 15, 2024.

GASB Statement No. 103 – *Financial Reporting Model Improvements*: The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement is effective for periods beginning after June 15, 2025.

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

GASB Statement No. 105 – *Subsequent Events*: The objective of this statement is to enhance consistency in the application of requirements for subsequent events. The requirements of this statement are effective for fiscal years beginning after June 15, 2026 and all reporting periods thereafter. Earlier application is encouraged.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

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

#### **Adoption of GASB Statements**

The City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62* (GASB 100) for the year ended December 31, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and comparable information for making decisions or assessing accountability. The adoption of GASB 100 had no effect on the beginning net position or fund balances at January 1, 2024.

The City adopted GASB Statement No. 101, *Compensated Absences* (GASB 101) for the year ended December 31, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Adoption of GASB 101 had no effect on beginning net position or fund balances at January 1, 2024.

#### **Note 2: Deposits and Investments**

##### **Deposits**

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

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

At December 31, 2024 and September 30, 2024, none of the City's or Utilities' bank balances were exposed to custodial credit risk, respectively.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

#### ***Investments***

Arkansas statutes authorize the City to invest in direct obligations of the U.S. government; obligations on which the principal and interest are fully guaranteed, or are fully secured, insured, or covered by commitments or agreements to purchase by the U.S. government; obligations of agencies and instrumentalities created by act of the United States Congress and authorized thereby to issue securities or evidence of indebtedness, regardless of guarantee of repayment by the U.S. government; obligations of political subdivisions of the United States; certain obligations issued by the State Board of Education; short-term warrants of political subdivisions of the State of Arkansas and municipalities; the sale of federal funds with a maturity of not more than one business day; demand, savings, or time deposits fully insured by a federal deposit insurance agency; repurchase agreements that are fully insured by obligations of the U.S. government, any U.S. state or any political subdivision thereof; securities of, or other interest in, any open-end type investment company or investment trust registered under the Investment Company Act of 1940, and which is considered a money market fund, provided that the portfolio is limited principally to U.S. government obligations and the investment company or trust takes delivery of collateral either directly or through an authorized custodian; and bank certificates of deposits.

Arkansas statutes also authorize the City to invest in no more than 20% of its capital base in corporate debt obligations; revenue bond issues of any state, municipality, or political subdivision; industrial development bonds for corporate obligors issued through any state or political subdivision; securities or interest in an open-end or close-end management type investment company or trust registered under the Investment Company Act of 1940 with certain limitations; securities or interest issued, assumed, or guaranteed by certain international banks; and uninsured demand, savings, or time deposits or accounts of any depository institution chartered by the United States, any U.S. state, or District of Columbia. The pension trust funds are authorized to also invest in common stocks, investment grade corporate bonds, and other appropriate securities.

For fiscal year 2024, TWU invested \$722,509 in non-negotiable certificates of deposits measured at amortized cost.

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

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

Type	Fair Value	Maturities in Years			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	\$ 1,161,995	\$ 205,584	\$ 791,726	\$ 34,704	\$ 129,981
Corporate bonds	841,059	193,934	484,111	93,385	69,629
Money market mutual funds	2,966,921	2,966,921	-	-	-
Mortgage backed securities	348,058	22	8,189	28,525	311,322
Municipal bonds	39,689	-	39,689	-	-
International bond mutual funds	79,458	-	-	-	79,458
Bond mutual funds	1,505,666	265,520	1,111,114	-	129,032
		<u>\$ 3,631,981</u>	<u>\$ 2,434,829</u>	<u>\$ 156,614</u>	<u>\$ 719,422</u>
Equity mutual funds	5,703,871				
Alternative Investments	<u>66,250</u>				
	<u>\$ 12,712,967</u>				

Interest Rate Risk – Statutes authorize the City along with its component unit, the Texarkana Advertising and Promotion Commission, to invest in certificates of deposits, obligations of the U.S. Treasury and U.S. agencies, and obligations of the State of Arkansas and any political subdivision of the state. The City’s policy seeks to minimize the risk that the fair value of securities will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s pension fund policies limit the percentages of each type of portfolio asset.

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

The City has the following recurring fair value measurements as of December 31, 2024:

- U.S. Treasury obligations of \$1,161,995 are valued using a matrix pricing technique, which values the securities based on the securities’ relationship to benchmark quoted prices (Level 2 inputs)
- Corporate and municipal bonds of \$841,059 and \$39,689 are valued using a matrix pricing technique, which values the securities based on the securities’ relationship to benchmark quoted prices (Level 2 inputs)
- Money market mutual funds of \$2,966,921 are valued at amortized cost and are not considered a fair value measurement

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

- Mortgage backed securities of \$348,058 are valued using a matrix pricing technique, which values the securities based on the securities’ relationship to benchmark quoted prices (Level 2 inputs)
- Bond and equity mutual funds of \$1,505,666 and \$5,703,871, respectively, are valued using quoted market prices (Level 1 inputs)
- International bond mutual funds of \$79,458 are valued using quoted market prices (Level 1 inputs)

Credit Risk – Credit risk is the risk that the issuer or other counterparty will not fulfill its obligations. It is the City’s policy, excluding fiduciary funds, to limit investments to the safest types of securities and to pre-qualify the financial institutions, broker/dealers, intermediaries and advisers with which the City will do business. At December 31, 2024, the City’s and its component unit’s investments not directly guaranteed by the U.S. government were rated as follows:

<b>Investment Type</b>	<b>Rating Agency</b>	<b>Rating</b>
Money Market Mutual Funds	S&P/Moody’s	AAA/Aaa
Mortgage-Backed Securities	S&P/Moody’s	BB to AAA/Ba2 to Aaa
U.S. Agency Obligations	S&P/Moody’s	AAA/Aaa
Corporate Bonds	S&P/Moody’s	BB to AAA/Ba2 to Aaa

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

Concentration of Credit Risk – The City’s policy is to diversify the investment portfolio so that potential losses on individual securities will be minimized.

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

**Summary of Carrying Values**

The carrying values of deposits and investments shown above are included in the statement of net position as follows:

	<b>Primary Government</b>	<b>Component Unit</b>
Carrying value		
Deposits	\$ 33,269,089	\$ 854,415
Cash on hand	3,584	-
Investments	12,712,967	-
	\$ 45,985,640	\$ 854,415

Included in the following statement of net position captions

Cash	\$ 9,616,218	\$ 854,415
Investments	3,361,509	-
Restricted cash	22,021,308	-
Restricted investments	102,674	-

Included in the following fiduciary net position captions

Cash and cash equivalents - Custodial Funds	341,435	-
Cash and cash equivalents - Pension Trust Funds	798,152	-
Investments - Pension Trust Funds		
U.S. government obligations	1,161,995	-
Mortgage backed securities	348,058	-
Corporate bonds and notes	970,091	-
Mutual funds and other investments	7,264,200	-
	\$ 45,985,640	\$ 854,415

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

**Note 3: Capital Assets**

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

Governmental Activities	Balance, January 1, 2024	Additions	Retirements	Transfers	Balance December 31, 2024
Capital assets, non-depreciable:					
Land	\$ 2,563,907	\$ -	\$ -	\$ -	\$ 2,563,907
Construction in progress	3,300,814	2,280,708		(3,873,722)	1,707,800
Total capital assets, non-depreciable	<u>5,864,721</u>	<u>2,280,708</u>	<u>-</u>	<u>(3,873,722)</u>	<u>4,271,707</u>
Capital assets, depreciable					
Buildings	25,425,771	61,475	(59,497)	759,773	26,187,522
Improvements other than buildings	13,016,798	-	(184,783)	6,303,120	19,135,135
Machinery and equipment	12,011,807	1,159,763	(489,051)	(458,025)	12,224,494
Infrastructure	51,969,817	6,124	-	(2,731,146)	49,244,795
Total capital assets, depreciable	<u>102,424,193</u>	<u>1,227,362</u>	<u>(733,331)</u>	<u>3,873,722</u>	<u>106,791,946</u>
Less accumulated depreciation					
Buildings	20,423,071	636,738	(53,486)	-	21,006,323
Improvements other than buildings	10,664,116	597,345	(184,783)	-	11,076,678
Machinery and equipment	6,529,444	1,085,921	(489,051)	-	7,126,314
Infrastructure	30,865,621	879,385	-	-	31,745,006
Total accumulated depreciation	<u>68,482,252</u>	<u>3,199,389</u>	<u>(727,320)</u>	<u>-</u>	<u>70,954,321</u>
Total capital assets, depreciable, net	<u>33,941,941</u>	<u>(1,972,027)</u>	<u>(6,011)</u>	<u>3,873,722</u>	<u>35,837,625</u>
Lease assets					
Machinery and equipment	631,908	-	-	-	631,908
Total lease assets	<u>631,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,908</u>
Less accumulated amortization					
Machinery and equipment	121,517	120,865	-	-	242,382
Total accumulated amortization	<u>121,517</u>	<u>120,865</u>	<u>-</u>	<u>-</u>	<u>242,382</u>
Total lease assets, net	<u>510,391</u>	<u>(120,865)</u>	<u>-</u>	<u>-</u>	<u>389,526</u>
Total governmental activities, net	<u>\$ 40,317,053</u>	<u>\$ 187,816</u>	<u>\$ (6,011)</u>	<u>\$ -</u>	<u>\$ 40,498,858</u>

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

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

<b>Business-Type Activities</b>	<b>Balance January 1, 2023</b>	<b>Additions and Transfers, Net</b>	<b>Retirements and Transfers, Net</b>	<b>Balance December 31, 2024</b>
Capital Assets, non-depreciable				
Land	\$ 832,844	\$ -	\$ -	\$ 832,844
Water rights	17,784,128	-	-	17,784,128
Construction in progress	865,272	9,298,141	(970,432)	9,192,981
Total capital assets, non-depreciable	<u>19,482,244</u>	<u>9,298,141</u>	<u>(970,432)</u>	<u>27,809,953</u>
Capital assets, depreciable				
Buildings and improvements	3,593,039	45,017	-	3,638,056
Improvements other than buildings	46,274,557	469,735	-	46,744,292
Intersystem shared assets	23,644,704	-	-	23,644,704
Machinery and equipment	7,767,667	455,680	(43,850)	8,179,497
Total capital assets, depreciable	<u>81,279,967</u>	<u>970,432</u>	<u>(43,850)</u>	<u>82,206,549</u>
Less accumulated depreciation				
Buildings and improvements	2,962,567	1,116	-	2,963,683
Improvements other than buildings	25,097,145	1,186,231	-	26,283,376
Intersystem shared assets	16,689,977	404,778	-	17,094,755
Machinery and equipment	5,901,809	516,517	(43,846)	6,374,480
Total accumulated depreciation	<u>50,651,498</u>	<u>2,108,642</u>	<u>(43,846)</u>	<u>52,716,294</u>
Total capital assets, depreciable, net	<u>30,628,469</u>	<u>(1,138,210)</u>	<u>(4)</u>	<u>29,490,255</u>
Total business-type activities, net	<u>\$ 50,110,713</u>	<u>\$ 8,159,931</u>	<u>\$ (970,436)</u>	<u>\$ 57,300,208</u>

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

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

**Governmental Activities**

General government	
General government	\$ 128,518
Police department	847,236
Fire department	404,175
Public works	1,458,748
Health	24,013
Culture and recreation	336,699
	<u>3,199,389</u>
Total depreciation expense – governmental activities	<u>\$ 3,199,389</u>

**Business-Type Activities**

Texarkana Water Utilities	\$ 2,108,642
	<u>2,108,642</u>
Total depreciation expense - business-type activities	<u>\$ 2,108,642</u>

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

**Governmental Activities**

General Government	
General government	\$ 10,277
Public Works	110,588
	<u>120,865</u>
Total amortization expense - governmental activities	<u>\$ 120,865</u>

**Note 4: Construction Projects**

At December 31, 2024, the City had the following commitments with respect to unfinished capital projects. These projects are being funded with grant funds, bond proceeds and franchise fees.

**Governmental activities construction projects**

	Project Authorization	Expended Through December 31, 2024	Required Future Financing
Accounting Software	\$ 209,283	\$ 69,730	\$ 139,553
Animal Shelter	1,525,000	1,085,526	439,474
Calhoun Trail Improvement	50,000	22,326	27,674
City Hall Restroom Remodel	50,000	44,550	5,450
Dentention Pond - Crossroads Parkway	40,000	24,500	15,500
Drainage Improvements	265,726	218,827	46,899
I-30 Bridge Lights	251,999	250,397	1,602
	<u>\$ 2,392,008</u>	<u>\$ 1,715,856</u>	<u>\$ 676,152</u>
Total	<u>\$ 2,392,008</u>	<u>\$ 1,715,856</u>	<u>\$ 676,152</u>

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

**Note 5: Long-Term Liabilities**

Changes in long-term liabilities in the governmental activities for the year ended December 31, 2024, and for the business-type activities for the year ended December 31, 2024, were as follows:

<b>Governmental Activities</b>	<b>Balance January 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31, 2024</b>	<b>Amounts Due in One Year</b>
Bonds payable					
Revenue bonds	\$ 11,720,000	\$ -	\$ 730,000	\$ 10,990,000	\$ 740,000
Less issuance discounts	13,615	-	908	12,707	-
Add issuance premiums	29,691	-	2,310	27,381	-
	<u>11,736,076</u>	<u>-</u>	<u>731,402</u>	<u>11,004,674</u>	<u>740,000</u>
General obligation bonds	4,490,000	-	940,000	3,550,000	290,000
Add issuance premiums	160,816	-	8,464	152,352	-
	<u>4,650,816</u>	<u>-</u>	<u>948,464</u>	<u>3,702,352</u>	<u>290,000</u>
Bonds payable, net	16,386,892	-	1,679,866	14,707,026	1,030,000
Notes payable (direct borrowing)	1,279,821	-	161,137	1,118,684	165,312
Lease payable	516,700	-	174,141	342,559	160,759
Compensated absences	1,918,143	-	86,769	1,831,374	237,937
Net pension liability	34,348,373	-	4,691,339	29,657,034	-
Total other postemployment benefits	2,811,173	-	1,245,998	1,565,175	173,277
Total governmental activities long-term liabilities	<u>\$ 57,261,102</u>	<u>\$ -</u>	<u>\$ 8,039,250</u>	<u>\$ 49,221,852</u>	<u>\$ 1,767,285</u>
<b>Business-Type Activities</b>	<b>Balance January 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31, 2024</b>	<b>Amounts Due in One Year</b>
Bonds payable					
Revenue bonds	\$ 22,778,910	\$ -	\$ 1,053,454	\$ 21,725,456	\$ 1,166,595
Plus issuance premiums	944,581	-	40,054	904,527	-
Bonds payable, net	23,723,491	-	1,093,508	22,629,983	1,166,595
Compensated absences	229,199	37,217	-	266,416	40,215
Net pension liability	2,999,317	-	881,613	2,117,704	-
Contracts payable	13,842,130	-	177,196	13,664,934	181,861
Total other postemployment benefits	422,692	62,473	-	485,165	-
Total business-type activities long-term liabilities	<u>\$ 41,216,829</u>	<u>\$ 99,690</u>	<u>\$ 2,152,317</u>	<u>\$ 39,164,202</u>	<u>\$ 1,388,671</u>

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

**Governmental Activities**

**2012 Capital Improvement and Refunding Limited Tax General Obligation Bonds** – Bonds in the amount of \$10,160,000 were issued with varying interest rates from 2.00% to 5.00% to finance capital improvements consisting generally of construction, reconstruction, or acquisition of, or improvements to, new or current streets, bridges, and viaducts and any necessary intersection improvements, traffic signalizations, speed calming measures, lighting, equipment, land and easement acquisition, and drainage improvements therefore and to refund the outstanding 2000 Refunding and Capital Improvement Bonds. Principal payments are due annually on October 1. Interest payments are due semiannually on February 1 and October 1.

**2018 Franchise Fee Secured Capital Improvement Revenue Bonds** – Bonds in the amount of \$2,260,000 were issued with varying interest rates from 2.000% to 3.625% to finance the purchase of public safety equipment, consisting of fire trucks and police communications equipment. Principal payments are due annually on April 1. Interest payments are due semiannually on April 1 and October 1.

**General Revenue Note, Series 2019** – A note in the amount \$875,000 was issued with an interest rate of 2.536% for the purpose of acquiring, constructing, installing, and equipping a City Animal Shelter. Principal and interest payments are due annually on August 1.

**US Department of HUD Section 108 Loan** – A note in the amount \$885,000 was issued with a variable interest rate of 0.2% above the Applicable London Interbank Offered Rates (LIBOR) Rate for the purpose of renovating the Texarkana Recreational Facility. As of December 31, 2024, \$885,000 had been drawn. Principal and interest payments are due annually on August 1 starting August 1, 2020.

**2021A Refunding Franchise Fee Revenue Bond** – Bonds in the amount of \$3,165,000 were issued with varying interest rates from 0.50% to 2.0% to currently refund the outstanding 2015 Franchise Fee Secured Refunding Revenue Bonds. The net carrying amount of the bonds exceeded the reacquisition price of the 2015 bonds by \$124,521. This amount is recorded as a deferred outflow of resources and is being amortized over the remaining life of the refunded debt using the effective-interest method. Amortization expense for 2024 is \$6,918. The City completed the current refunding to reduce its total debt service payments over the next 20 years by \$618,230 and obtained an economic gain (difference between the present value of the debt service payments of the new and old debt) of \$533,633. Principal payments are due annually on September 1. Interest payments are due semiannually on March 1 and September 1.

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

**2021B Refunding Franchise Fee Revenue Bond** – Bonds in the amount of \$8,420,000 were issued with varying interest rates from 1.40% to 2.785% to advance refund the outstanding 2012 Franchise Fee Secured Refunding Bonds. The net proceeds of the Series 2022B bonds, along with the debt service funds from the Series 2012 bonds, were deposited into an irrevocable trust with an escrow agent. The 2012 bonds (\$7,600,000 in principal as of December 31, 2022) were redeemed in full on September 1, 2023. The net carrying amount of the bonds exceeded the reacquisition price of the 2012 bonds by \$511,083. This amount is recorded as a deferred outflow of resources and is being amortized over the remaining life of the refunded debt using the effective-interest method. Amortization expense for 2024 is \$32,472. The City completed the advance refunding to reduce its total debt service payments over the next 18 years by \$618,984 and to obtain an economic gain (difference between the present values of the debt service payments on the new and old debt) of \$488,641. Principal payments are due annually on September 1. Interest payments are due semiannually on March 1 and September 1.

**Business-type Activities**

**Revenue Bonds** - Revenue bonds are comprised of various issues for the purpose of acquiring, constructing, equipping, renovating, expanding, and refurbishing additions and improvements of City facilities.

**2004B City of Texarkana, Arkansas Public Facilities Board Water Facilities Mandeville and Union Acquisition Revenue Bonds** – Bonds in the amount of \$3,830,000 were issued with an interest rate of 3.25%.

**2007 City of Texarkana, Arkansas Public Facilities Board Waterworks and Sewer Facilities Revenue Refunding Bonds** – Bonds in the amount of \$9,085,000 were issued with a variable interest rate from 4.00% to 4.15%.

**2023 City of Texarkana, Arkansas Public Facilities Board Revenue Bonds** – Bonds in the amount of \$20,655,000 were issued with a variable interest rate from 4.00% to 5.00%.

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

**Annual Debt Service Requirements**

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

Year	Primary Government				Business-Type Activities	
	Governmental Activities					
	General Obligation Bonds and Revenue Bonds - Publicly Traded		Note Payable - Direct Borrowing		Revenue Bonds - Publicly Traded	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,030,000	\$ 525,226	\$ 165,312	\$ 16,735	\$ 1,166,595	\$ 983,771
2026	1,060,000	498,786	171,005	12,043	743,861	935,644
2027	1,085,000	468,850	176,862	7,186	775,000	902,800
2028	1,125,000	437,576	38,842	2,158	815,000	864,050
2029	1,155,000	407,469	40,978	10,080	855,000	823,300
2030-2034	4,420,000	1,570,579	228,146	7,854	4,960,000	3,430,750
2035-2039	4,060,000	746,608	274,448	3,552	6,320,000	2,073,500
2040-2043	605,000	93,720	23,091	119	6,090,000	621,000
	<u>\$ 14,540,000</u>	<u>\$ 4,748,814</u>	<u>\$ 1,118,684</u>	<u>\$ 59,727</u>	<u>\$ 21,725,456</u>	<u>\$ 10,634,815</u>

There are a number of limitation and restrictions contained in the various bond indentures. The City is in substantial compliance with all significant limitations and requirements. The City is also subject to a statutory limitation by the State of Arkansas for general bonded indebtedness. The limitation is 25 percent of the total assessed valuation of all real and personal property within the municipality subject to taxation. At December 31, 2024, the City met the statutory limitation for its general bonded indebtedness, leaving a sufficient legal debt margin. Also, for the governmental activities, the net pension liability and total other postemployment benefit obligations have historically been the responsibility of the General Fund.

**Notes Payable from Direct Borrowings**

Governmental Activities

The City's outstanding notes payable from direct borrowings of \$1,118,684 contain a provision that in the event of default, the lender may make all or part of the note immediately due. The City has pledged general revenues as collateral for one note and a HUD guarantee for the other note.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

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

Debt	Revenue Pledged	Total Pledged Revenue	Portion of Pledged Revenue Stream	Percentage Portion of Pledged Revenue Stream	Remaining Principal, Interest and Fees	Period Revenue Will Not Be Available for Other Purposes
<b>Governmental Activities:</b>						
2018 Franchise Fee Secured Capital Improvement Revenue Bonds	Franchise Taxes	\$ 3,227,188	\$ 203,928	6.3%	\$ 1,802,156	Until 2032
2021A Franchise Fee Secured Refunding Revenue Bonds	Franchise Taxes	3,227,188	195,738	6.1%	3,180,129	Until 2041
2021B Franchise Fee Secured Refunding Revenue Bonds	Franchise Taxes	3,227,188	581,300	18.0%	8,162,112	Until 2041
<b>Business-Type Activities:</b>						
2004B City of Texarkana, Arkansas Public Facilities Board Water Facilities Mandeville and Union Acquisition Bonds	Revenues of the Enterprise Fund	913,753	261,932	28.7%	718,635	Until 2026
2007 City of Texarkana, Arkansas Public Facilities Board Waterworks and Sewer Facilities Revenue Refunding Bonds	Revenues of the Enterprise Fund	14,670,367	721,066	4.9%	392,886	Until 2025
2023 City of Texarkana, Arkansas Public Facilities Board Waterworks and Sewer Facilities Revenue Bonds	Revenues of the Enterprise Fund	14,670,367	910,682	6.2%	31,248,750	Until 2025

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

**Note 6: Interfund Balances and Transfers**

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

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 387,793	\$ 1,326,274
Public Works	941,788	2,206
American Rescue Act Fund	-	264,090
Non-major governmental funds	3,109	301,856
Total governmental funds	<u>1,332,690</u>	<u>1,894,426</u>
Texarkana, Arkansas Water Utilities	16,654	-
Non-major proprietary funds	1,940	18,594
Total proprietary funds	<u>18,594</u>	<u>18,594</u>
Fiduciary Funds:		
City Employer Retirement System	-	14,426
Police Relief & Pension	576,162	-
Total fiduciary funds	<u>576,162</u>	<u>14,426</u>
Total	<u>\$ 1,927,446</u>	<u>\$ 1,927,446</u>

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

Transfers are used to move revenues from funds with collection authorization to debt service and pension funds and to move unrestricted revenues to various programs that the government must account for in other funds. Transfers recorded in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds as of December 31, 2024, are as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General	\$ 735,488	\$ 2,119,502
Public Works	829,992	298,589
Other Nonmajor Governmental Funds	1,384,693	18,000
Total governmental funds	<u>\$ 2,950,173</u>	<u>\$ 2,436,091</u>

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

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

Fund	Transfers In	Transfers Out
Proprietary Funds		
Texarkana, Arkansas Water Utilities	\$ -	\$ 348,740
Total proprietary funds	<u>\$ -</u>	<u>\$ 348,740</u>
Total primary government	<u>\$ 2,950,173</u>	<u>\$ 2,784,831</u>

The difference in the transfer in/out of \$165,342 is due to the different year end of the Texarkana, Arkansas Water Utilities (September 30, 2024), as compared to the City’s fiscal year ended December 31, 2024. See *Note 1* for additional information.

**Note 7: Water Supply Contract Between Cities of Texarkana, Texas and Texarkana, Arkansas**

Under a contract dated August 5, 1948 as subsequently amended, the Texarkana, Texas system supplies water to the City of Texarkana, Arkansas and disposes of sewage collected by that City. Charges to Texarkana, Arkansas for these services are computed by prorating certain expenses of the System, plus a set monthly fee. A revised agreement was executed between the Cities of Texarkana, Texas and Texarkana, Arkansas on May 20, 1969.

This revised agreement relates to the matter of supplying treated water only and does not amend the prior agreement relating to sewerage service. The terms of the revised contract provide that Texarkana, Arkansas will pay the same amount per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Texas under its contractual arrangements with other area cities. The Arkansas Utilities made total transfers to the Texas Utilities for water purchases of \$1,529,994 for 2024. In addition, the Union Utility made total transfers to the Texas Utilities for water purchases of \$94,748 for 2024. The Mandeville Utility made total transfers to the Texas Utilities for water purchases of \$23,214 for 2024.

A water system agreement entered into on December 1, 1982, and amended on October 15, 1985, between the two Cities provides for the sale of water taken from the Millwood Reservoir and processed in the Millwood Water Treatment Facilities. The agreement provides that the previous existing contract shall remain in full force as it relates to water taken from the Texarkana Reservoir. The agreement further provides that the City of Texarkana, Arkansas will sell treated water to the City of Texarkana, Texas at the cost per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Arkansas. The Texas Utilities made total transfers to the Arkansas Utilities for water purchases of \$1,205,580 for 2024. In addition, the Union Utility made total transfers to the Arkansas Utilities for water purchases of \$46,062 for 2024, respectively. The Mandeville Utility made total transfers to the Arkansas Utilities for water purchases of \$11,175 for 2024.

Additionally, when the indebtedness the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the water treatment and transmission facilities has been

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

discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total capital payments made on the system by both Texarkana, Arkansas and Texarkana, Texas. Capital payments are defined as payments made or to be made on the principal for the bond obligations of Texarkana, Arkansas. During 2024, the Texas Utilities made total transfers to the Arkansas Utilities for debt service of \$417,336.

**Note 8: Wastewater Agreements Between Cities of Texarkana, Texas and Texarkana, Arkansas**

***South Regional Wastewater Facilities***

A wastewater agreement dated March 1, 1983, was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement is a supplement to the previous agreement and provides that the City of Texarkana, Texas will process the wastewater from the City of Texarkana, Arkansas and charge the City of Texarkana, Arkansas the same amount per one thousand gallons as computed to be the cost to the City of Texarkana, Texas for wastewater treatment. The calculation of cost for retail customers billed on the City Rate Ordinance is based on the metered retail water sales of each City to the total retail water sales for both Cities. The contract wastewater treatment cost to the Cities is based on metered wastewater treated in combination with the retail customers for each City to the total for both Cities.

***McKinney Bayou Wastewater Facilities***

A wastewater agreement dated December 15, 1997, was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement relates to the operation and maintenance of a wastewater treatment facility, known as the McKinney Bayou Wastewater Facilities (the facilities), and related transmission lines located within the City of Texarkana, Arkansas to be used for the collection and treatment of a portion of the two cities' wastewater. The agreement provides that the City of Texarkana, Arkansas will process a portion of the wastewater from the City of Texarkana, Texas. The City of Texarkana, Texas will pay the City of Texarkana, Arkansas the same amount per one thousand gallons as computed to be the cost to the City of Texarkana, Arkansas for wastewater treatment. The calculation of cost for retail customers billed is based on the metered retail water sales of each City, whose wastewater is treated in the facilities, to the total retail water sales for both Cities, whose wastewater is being treated in the facilities.

The agreement further provides that, when the indebtedness of the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the wastewater treatment facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the system facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total payments on bond obligations made on the system by both Texarkana, Arkansas and Texarkana, Texas. During 2024, the Texas Utilities made transfers to the Arkansas Utilities for debt service in the amounts of \$127,996. The effective transfer of assets pursuant to this agreement has been recorded as a note payable between the Utilities.

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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**Note 9: Pension Plans**

Substantially all of the City's employees receive retirement benefits. The City sponsors three single employer defined benefit plans that are reported as pension trust funds. The plan year end for the Texarkana, Arkansas Public Employees Retirement System (TAPERS), and the Texarkana, Arkansas Water Utilities Employee Retirement System (TWUPERS), is June 30, 2024. The other single employer defined benefit plan is the Police Relief and Pension Fund (PRPF). The Firemen Relief and Pension Fund (FRPF) is an agent multi-employer plan, which also has a December 31 year end. The City also contributes to the Local Police and Fire Retirement System (LOPFI), a statewide cost-sharing multiple-employer defined benefit pension plan and the District Judges' division of Arkansas Public Employees Retirement System (APERS), a statewide cost-sharing multiple-employer public retirement system. Employees of the Enterprise funds (Utilities) participate in the Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The assets of the plans are maintained in legally separate trusts and each plan's assets may be used only for the payment of benefits to the members of that plan or their beneficiaries in accordance with the terms of the plan.

**A. Summary of Significant Accounting Policies**

*Basis of Accounting*

The City of Texarkana's financial statements for its single employer defined benefit plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. City contributions to each plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

*Method Used to Determine Fair Value of Investments*

The fair value of investments other than mutual funds is determined using quoted market prices. The fair value of investments in mutual funds is determined using the fund's current per share price.

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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**B. Membership Information**

Membership of each City administered plan consisted of the following at the plans most recent fiscal year-end:

	<u>June 30, 2024</u>		<u>December 31, 2024</u>
	<u>TAPERS</u>	<u>TWUPERS</u>	<u>PRPF</u>
Retirees and beneficiaries			
receiving benefits	32	8	36
Active plan members	10	7	-
Terminated members	30	21	-
Transitioned members	11	-	-
	<hr/>	<hr/>	<hr/>
Total	<u>83</u>	<u>36</u>	<u>36</u>

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

**C. Financial Information**

Separate financial reports are not issued on each plan. The following is the condensed financial information of the pension trust funds:

<b>Statement of Fiduciary Net Position</b>				
	<b>June 30, 2024</b>		<b>December 31, 2024</b>	
	<b>TAPERS</b>	<b>TWUPERS</b>	<b>PRPF</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 160,004	\$ 77,245	\$ 560,903	\$ 798,152
Investments	2,185,441	3,038,988	4,519,915	9,744,344
Receivables	112,987	10,879	27,696	151,562
Due from other funds	-	-	576,162	576,162
Total assets	2,458,432	3,127,112	5,684,676	11,270,220
<b>Liabilities</b>				
Accounts payable	21,052	1,939	17,659	40,650
Total liabilities	21,052	1,939	17,659	40,650
<b>Net Position</b>				
Net position restricted for pensions	\$ 2,437,380	\$ 3,125,173	\$ 5,667,017	\$ 11,229,570

<b>Statement of Changes in Fiduciary Net Position</b>				
<b>Additions</b>				
Contributions	\$ 327,220	\$ -	\$ 738,201	\$ 1,065,421
Intergovernmental	-	-	362,022	362,022
Other	-	-	41,063	41,063
Net investment income	364,308	258,094	68,333	690,735
Total additions	691,528	258,094	1,209,619	2,159,241
<b>Deductions</b>				
Benefits paid directly to participants	444,925	25,149	1,018,813	1,488,887
Administrative expenses and other	10,976	4,170	25,634	40,780
Total deductions	455,901	29,319	1,044,447	1,529,667
<b>Net Increase in Net Position</b>	235,627	228,775	165,172	629,574
<b>Net Position Restricted For Pensions, Beginning of Year</b>	2,201,753	2,896,398	5,501,845	10,599,996
<b>Net Position Restricted For Pensions, End of Year</b>	\$ 2,437,380	\$ 3,125,173	\$ 5,667,017	\$ 11,229,570

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

**D. Plan Descriptions and Funding Information**

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

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Outflows of Resources - Contributions	Deferred Inflows of Resources	Pension Expense/(Income)
TAPERS	\$ -	\$ 6,189,187	\$ -	\$ 18,556	\$ 152,300	\$ 267,546
TWUPERS	2,475,546	-	-	-	-	250,621
PRPF	-	5,226,445	80,919	-	-	443,089
LOPFI	-	17,918,606	3,922,296	1,968,484	2,039,026	1,668,179
APERS	-	67,122	12,292	4,966	2,744	8,224
FRPF	-	255,674	199,118	-	-	(343,092)
TMRS	-	2,117,704	531,173	433,187	102,654	433,229
Total	<u>\$ 2,475,546</u>	<u>\$ 31,774,738</u>	<u>\$ 4,745,798</u>	<u>\$ 2,425,193</u>	<u>\$ 2,296,724</u>	<u>\$ 2,727,796</u>

**Single-Employer Defined Benefit Pension Plans**

The *Texarkana, Arkansas Public Employees Retirement System (TAPERS)* is a single-employer defined benefit pension plan administered by the Retirement Board of the City. The Retirement Board consists of two or more members appointed by the employer. Members of the Board are not required to be a participant within the plan.

TAPERS provides retirement benefits as well as death and disability benefits. Benefits vest on a graded schedule of 0% after 5 years, 20% after 6 years with an additional 20% added each year after that. Benefits are 100% vested after 10 years. Employees who retire at age 65 are entitled to a benefit of 1.8% of average annual compensation for each year of service. Average compensation is the average at the 5 consecutive years which give the highest result. Employees may retire early at or after age 55 with ten years of service. The benefit is computed as for normal retirement, but for participants who retire prior to age 60 with less than 20 years of vesting service, the benefit is reduced by 1/360<sup>th</sup> for each month preceding normal retirement date. Participants who are 60 years of age and have completed 20 years of vesting service or who are 55 year of age and have completed 30 years of vesting service have no reduction of their accrued benefits. The benefit is paid as a monthly life annuity. Other options may be elected. Late retirement, pre-retirement death benefits and disability benefits are also available in an amount actuarially equivalent to the present value of accrued benefits. There are no automatic Cost of Living Adjustments (COLAs) in this plan. No ad hoc COLAs have been given in the past.

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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The plan was closed to employees who are not participants as of July 1, 2012. Participants who were not 100% vested in their retirement benefit as of July 1, 2012 (“Transitioned Participants”) will not receive any additional benefit accruals in the retirement system. These members will continue to earn service for the purposes of vesting and eligibility for early retirement. These Transition Participants will also not be eligible to receive a disability retirement benefit if they become disabled after the effective date of the plan change. Active participants who continue to earn benefit accruals in the retirement system will be required to contribute 2% of pay. The City of Texarkana also increased the employer contributions to the plan from 6% of pay to 10% of covered pay plus provided additional, annual appropriations to further strengthen the benefit security of the plan.

Contributions to the TAPERS are funded by the City of Texarkana, Arkansas. The annual contribution is guided by an annual cost valuation based on the frozen entry age cost method. However, since there is no longer any initial unfunded accrued liability, it is equivalent to the aggregate method. The Annual Required Contribution (ARC) is defined based on the aggregate cost method. Because this method does not identify or separately amortize unfunded actuarial accrued liabilities, information about funded status and funding progress is presented using the entry age actuarial cost method and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. Administrative costs are financed from the trust. Employer contributions for the year ended December 31, 2024, were \$333,512.

The asset concentrations of over 5% are as follows:

Bank OZK Institutional INT Bearing Business	\$ 158,000
US Treasury Bond 3% 07/15/2025	244,760
US Treasury Bond 3% 07/31/2024	199,608
Harbor Capital Appreciation FD 12	441,533
Hartford Equity Income	334,668
Harding Loevner Intl Equity	152,162
Brandes International Equity FD	156,280

The ***Policemen’s Relief and Pension Fund (PRPF)*** is a single-employer defined benefit pension plan administered by a Board of Trustees, established in accordance with legislation enacted by the Arkansas General Assembly. The Board of Trustees consists of two members of City Management and five members elected by the plan members. The elected members are required to be participants within the plan. Benefit provisions are established by State of Arkansas Act #16, as amended. Policemen’s Fund assets are administered by a Board of Trustees.

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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The Policemen’s Fund provides retirement benefits for policemen who have completed 20 years of service regardless of age. The benefit is equal to 50% of the member’s final salary, but not less than \$11,040. If service exceeds 20 years, the annual benefit is increased by \$240 for each year over 20, not to exceed \$1,200 per year and if service exceeds 25 years, the member will receive an additional 1.25% for each year over 25 years, however, the total benefit cannot exceed 100% of the member’s final salary. Disability benefits are available to policemen who become permanently disabled, unless the disability is the direct result of gainful employment performed outside of the police department. This benefit is the same as noted above, but for non-duty disability cannot be less than \$11,040 per year and for duty-related disability cannot be less than 65% of the member’s final salary. The PRPF also provides benefits for surviving spouses and dependent children in which widow’s receive the same amount the member is receiving or would be eligible to receive and children receive \$1,500 per year until age 18 (23, if still in school). No benefits are vested to participants until normal retirement. At normal retirement, participants may elect to continue working and enter the Deferred Retirement Option Plan (DROP) for up to 10 years. All policemen hired after January 1, 1983, participate in the Arkansas Local Police and Fire Retirement System created by Act 364 of 1981. Therefore, the PRPF is effectively closed to new members.

Contributions to the Policemen’s Fund are set forth in Arkansas statute. The City’s contribution to the Policemen’s Fund consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a percentage of fines and forfeitures collected. Administrative costs are financed by the Policemen’s Fund. Total contributions to the Policemen’s Fund were \$1,141,286. The City’s share of contributions was \$1,141,286 and included \$738,201 in property taxes, \$41,063 in other taxes and \$362,022 in state insurance premium taxes and other supplements received from the state. On behalf payments (state insurance premium taxes and other supplements received from the state) are recognized as revenues and expenditures in the appropriate fund.

The asset concentrations of over 5% are as follows:

Federated Government Obligation	\$ 463,301
Harbor Capital Appreciation	749,641
The Hartford Equity Income	708,990
AlpsSmith Total Return Bonds	255,839
Lord Abbett Investment Trust	256,776
Weitz Funds Core PL Instl	264,422
Brandes International Equity FD	306,707
Harding Loevner Inttl Equity	295,338

The plan has elected to participate in the Deferred Retirement Option Plan effective December 20, 1993. Members who elect to participate have a DROP account that is increased by the monthly amount of their retirement as if they had retired as of the date DROP was elected. As of December 31, 2024, the balances of these DROP accounts were \$2,014,515.

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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The *Texarkana, Arkansas Water Utilities Employee Retirement System (TWUPERS)* is a single-employer, defined benefit pension plan established under Arkansas state law. Plan assets are administered by a committee appointed by the Texarkana, Arkansas Board of Directors. The committee consists of two or more members appointed by the employer. Members of the committee are not required to be a participant within the plan. The plan funds are held by an independent trustee.

The TWUPERS Plan provides retirement benefits as well as death and disability benefits. A participant is eligible for normal retirement benefits upon attainment of age 65. The annual normal retirement benefit, payable monthly, is equal to 1.8% of average annual earnings for each year of service credited. Average annual earnings are the average of the earnings received by the participant during the five consecutive years of highest earnings. Reduced early retirement benefit is available to participants who are at least age 55 and have 10 years of participation. The reduction is 1/360<sup>th</sup> for each month or part thereof by which the payment commencement date precedes the normal retirement date. Participants who are 60 years of age and have completed 20 years of vesting service or who are 55 years of age and have completed 30 years of vesting service, have no reduction of their accrued benefit. The benefit is paid as a monthly life annuity. Other options may be elected. Late retirement, pre-retirement death benefits and disability benefits are also available in an amount actuarially equivalent to the present value of accrued benefits. There are no automatic Cost of Living Adjustments (COLA) in this plan. No ad hoc COLA's have been given in the past. An amendment froze the plan as of November 15, 2000 and made all active participants 100% vested. Due to the plan freeze, no employee will become a participant after November 15, 2000.

Since the Plan was frozen as of November 15, 2000. There have been no required contributions or contributions made to the plan since 2000.

The asset concentrations of over 5% are as follows:

MFS Value Fund	\$ 300,232
I Shares S + P 500	418,096
EuroPacific Growth Fund	170,748
JOHNCM International Select Fund	175,303

**Actuarial Assumptions**

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

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**Notes to Financial Statements**  
**December 31, 2024**

The State of Arkansas Fire and Police Pension Review Board is responsible for the coordination of the actuarial valuations performed on the Police Relief and Pension Fund. Actuarial evaluations are performed biennially, and the last evaluation was for the year ended December 31, 2024. Actuarial assumptions used in evaluating the fund and applicable to the PRPF include the following:

Valuation date	December 31, 2024
Cost method	Individual entry-age normal
Asset valuation method	Market value of assets
Amortization method	Open amortization period
Amortization period	5 years
Assumptions:	
Inflation rate	2.50%
Investment rate of return	5.00%
Projected salary increases	N/A

Information pertaining to the actuarial valuations used for the remaining two single-employer defined benefit pension plans follows:

	<b>TAPERS</b>	<b>TWUPERS</b>
Actuarial valuation date	6/30/2024	6/30/2024
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar open	Not applicable
Remaining amortization period	20 years	Not applicable
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	5.00%	3.50%
Projected salary increases	3.00%	N/A
Includes inflation at	2.25%	2.75%
Cost-of-living adjustments	None	None
Mortality table	MP-2014	2024 Funding Target

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

**Net Pension Asset/Liability**

The components of the net pension asset or liability of the City were as follows:

Plan	Measurement Date	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset (Liability)	Plan Net Position as a % of Total Pension Asset/Liability
Texarkana, Arkansas Public Employees Retirement System (TAPERS)	6/30/2024	\$ 8,709,847	\$ 2,520,660	\$ (6,189,187)	28.94%
Police Relief and Pension Fund (PRPF)	12/31/2024	10,931,132	5,704,687	(5,226,445)	52.19%
Texarkana, Arkansas Water Utilities Employee Retirement System (TWUPERS)	6/30/2024	649,627	3,125,173	2,475,546	481.07%

**Long-term Expected Return on Plan Assets**

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

<b>Targeted Asset Allocation</b>			
<b>Asset Class</b>	<b>TAPERS</b>	<b>PRPF</b>	<b>TWUPERS</b>
Domestic Fixed Income		80.00%	
Domestic Equity	48.00%	10.00%	
Foreign Equity	6.00%		
Equities			43.50%
Fixed Income	39.00%		53.70%
Real Estate (REIT)	2.00%		
Marketable			1.60%
Cash & Equivalents	5.00%	10.00%	1.20%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

***Discount Rate***

***Texarkana, Arkansas Public Employees Retirement System (TAPERS)***

In the June 30, 2024 actuarial valuation, a blended discount rate of 4.26% (4.11% in the prior year) was used to measure the total pension liability. This blended discount rate was based on the expected rate of return on pension plan investments of 5.00% and a municipal bond rate of 3.96% (based on the Fidelity Index's 20-year Municipal GO AA Index as of June 30, 2024). Based on the stated assumptions and the projection of cash flows, the pension plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the 2037 fiscal year. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2037 fiscal year and the municipal bond rate was applied to all benefit payments after that date.

***Policemen's Relief and Pension Fund (PRPF)***

In the December 31, 2024 actuarial valuation, a single discount rate of 5.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 5.0%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Texarkana, Arkansas Water Utilities Employee Retirement System (TWUPERS)***

In the June 30, 2024 actuarial valuation, a single discount rate of 3.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 3.5%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

***Changes in the Net Pension Liability***

***Texarkana, Arkansas Public Employees Retirement System (TAPERS)***

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at January 1, 2024</b>	\$ 8,764,411	\$ 2,201,753	\$ 6,562,658
<b>Changes for the year:</b>			
Service cost	84,126	-	84,126
Interest	353,502	-	353,502
Differences between expected and actual experience	71,328	-	71,328
Assumption changes	(149,279)	-	(149,279)
Contributions - employer	-	333,512	(333,512)
Contributions - employee	-	9,817	(9,817)
Net investment income	-	364,310	(364,310)
Benefit payments, including refunds of employee contributions	(414,241)	(414,241)	-
Administrative expense	-	(37,316)	37,316
Other changes	-	62,825	(62,825)
<b>Net changes</b>	<b>(54,564)</b>	<b>318,907</b>	<b>(373,471)</b>
<b>Balances at December 31, 2024</b>	<b>\$ 8,709,847</b>	<b>\$ 2,520,660</b>	<b>\$ 6,189,187</b>

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

***Policemen's Relief and Pension Fund (PRPF)***

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at January 1, 2024</b>	\$ 11,118,073	\$ 5,501,845	\$ 5,616,228
<b>Changes for the year:</b>			
Service cost	-	-	-
Interest	533,017	-	533,017
Differences between expected and actual experience	195,525	-	195,525
Contributions - employer	-	985,725	(985,725)
Net investment income	-	81,267	(81,267)
Benefit payments, including refunds of employee contributions	(915,483)	(915,483)	-
Other changes	-	51,333	(51,333)
<b>Net changes</b>	<b>(186,941)</b>	<b>202,842</b>	<b>(389,783)</b>
<b>Balances at December 31, 2024</b>	<b>\$ 10,931,132</b>	<b>\$ 5,704,687</b>	<b>\$ 5,226,445</b>

***Texarkana, Arkansas Water Utilities Employee Retirement System (TWUPERS)***

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) (a) - (b)</b>
<b>Balances at January 1, 2024</b>	\$ 671,473	\$ 2,896,398	\$ (2,224,925)
<b>Changes for the year:</b>			
Interest	23,061	-	23,061
Differences between expected and actual experience	(19,758)	-	(19,758)
Net investment income	-	258,094	(258,094)
Benefit payments, including refunds of employee contributions	(25,149)	(25,149)	-
Administrative expense	-	(4,170)	4,170
<b>Net changes</b>	<b>(21,846)</b>	<b>228,775</b>	<b>(250,621)</b>
<b>Balances at December 31, 2024</b>	<b>\$ 649,627</b>	<b>\$ 3,125,173</b>	<b>\$ (2,475,546)</b>

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

***Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate***

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

		Sensitivity of the Net Position Liability/(Asset) to the Single Discount Rate Assumption		
		1% Decrease 3.26%	Current Blended Rate Assumption 4.26%	1% Increase 5.26%
<b>TAPERS</b>	Net Pension Liability	\$ 7,330,704	\$ 6,189,187	\$ 5,353,488
		1% Decrease 4.00%	Current Single Rate Assumption 5.00%	1% Increase 6.00%
<b>PRPF</b>	Net Pension Liability	\$ 5,836,653	\$ 5,226,445	\$ 4,611,934
		1% Decrease 2.50%	Current Single Rate Assumption 3.50%	1% Increase 4.50%
<b>TWUPERS</b>	Net Pension Asset	\$ (2,407,710)	\$ (2,475,546)	\$ (2,532,753)

***Money-Weighted Rate of Return***

The annual money-weighted rate of return on pension plan investments is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense, adjusted for the changing amounts actually invested. The money-weighted rates of returns are shown in the table below:

Plan	FY Ended	Annual Return
Texarkana, Arkansas Public Employees Retirement System (TAPERS)	6/30/2024	16.92%
Police Relief and Pension Fund (PRPF)	12/31/2024	1.66%
Texarkana, Arkansas Water Utilities Employee Retirement System (TWUPERS)	6/30/2024	8.96%

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions***

For the year ended December 31, 2024, the City recognized pension expense of 267,546 for TAPERS, \$250,621 for TWUPERS and \$443,089 for PRPF. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to these pensions from the following sources:

**TAPERS**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Outflows (Inflows) of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 152,300	\$ (152,300)
Contributions subsequent to the measurement date	18,556	-	18,556
Total	<u>\$ 18,556</u>	<u>\$ 152,300</u>	<u>\$ (133,744)</u>

**PRPF**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Outflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 80,919	\$ -	\$ 80,919
Total	<u>\$ 80,919</u>	<u>\$ -</u>	<u>\$ 80,919</u>

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

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$18,556 will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**TAPERS**

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2025	\$ (58,748)
2026	18,105
2027	(60,279)
2028	(51,378)
Total	\$ (152,300)

**PRPF**

<b>Year Ending December 31</b>	<b>Net Deferred Inflows of Resources</b>
2025	\$ 17,845
2026	75,197
2027	(44,764)
2028	32,641
Total	\$ 80,919

**Cost Sharing Multiple-Employer Defined Benefit Pension Plans**

The *Arkansas District Judges Retirement System* (ADJRS) provides pension benefits for the City’s municipal judges. In accordance with Act 1374 of 2003, the ADJRS was established effective January 1, 2005 and the City’s local plan was abolished. A deferred benefit was established for all district judges and court clerks in the local plans that were active on December 31, 2004. These deferred annuities will be eligible for benefits when the eligibility requirements for their previous local plans are met. Act 177 of the 86<sup>th</sup> General Assembly abolished the ADJRS and transferred all powers, duties and plan liabilities to the Arkansas Public Retirement System (APERS) effective July 1, 2007. The APERS plan, which includes the District Judges’ division, is a cost-sharing multiple-employer public retirement system. All current members in the former ADJRS system maintain the same benefit package.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

APERS issues a publicly available financial report that includes financial statements and required supplementary information of the Plan, which may be obtained by writing to 124 West Capitol Avenue, Suite 400, Little Rock, AR 72201.

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

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

*Contributions.* Contributions to APERS are made by both the members (under the contributory plan) and employers. Member contribution rates are established by the APERS Board of Trustees. The employer contributions are actuarially determined on an annual basis. The current employee contribution rate is 5 percent of covered payroll for each employee under the new contributory plan. The City contributed 14.59% of covered employee's salaries to the plan for the period January 1, 2024 to December 31, 2024. Contributions made to the plan the City for the year ended December 31, 2024, amounted to \$4,966. There were no contributions made by the Member.

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

At December 31, 2024, the City reported a liability of \$67,122 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the ratio of the City's actual contributions to the Plan during the measurement period to the total employer contributions to the .00269771 percent, which was an increase of .000014864 percent from the prior year.

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

For the year ended December 31, 2024, the City recognized pension expense of \$8,224. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,605	\$ 2,744
Change of assumptions	2,339	-
Changes in proportion	5,401	-
Net difference between projected and actual earnings on pension plan investments	1,947	-
Contributions subsequent to the measurement date	4,966	-
Total	\$ 17,258	\$ 2,744

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$4,966 will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as:

	<b>Year Ending December 31</b>
2025	\$ (591)
2026	9,266
2027	(2,923)
2028	3,796
Total	\$ 9,548

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

**Actuarial Assumptions**

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

Inflation	2.50 percent
Salary increases	3.25 to 9.85 percent, average, including inflation
Investment rate of return	7.00% net of investment and administrative expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables males and females, respectively. The disabled retiree mortality tables, for post-retirement disabled mortality, used in evaluating allowances to be paid were 114% and 132% of the PubNS-2010 Amount-Weighted Disabled Retiree Mortality tables for males and females, respectively. The pre-retirement mortality tables used were 75% of the PubG-2010 Amount-Weighted Below-median General Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022. As a result of the 2022 actuarial experience study, the expectation of life after disability was adjusted in the June 30, actuarial evaluation to more closely reflect actual experience.

**Long-term Expected Return on Plan Assets**

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

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

The long-term expected rates of return are shown in the table below:

<b>Long-term Expected Real Rate of Return</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Broad Domestic Equity	39%	5.03%
International Equity	17%	6.34%
Real Estate	16%	4.51%
Private Equity	5%	9.00%
Hedge Funds	2%	3.63%
Domestic Fixed	21%	3.38%
Total	100%	

**Discount Rate**

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

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>Sensitivity of the Net Pension Liability (Asset) to the Single Discount Rate Assumption</b>		
	<b>1% Decrease 6.00%</b>	<b>Current Single Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
City's proportionate share of the net pension liability	\$ 114,535	\$ 67,122	\$ 28,034

**Pension Plan Fiduciary Net Position**

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

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

The **Local Police and Fire Retirement System (LOPFI)** is a statewide cost-sharing multiple-employer defined benefit retirement program that provides retirement, disability, and survivor benefits to police and fire employees of political subdivisions of the State of Arkansas. LOPFI was created by Act 364 of the 1981 General Assembly. The authority to establish and amend benefit provisions is set forth in Arkansas state statutes and is vested in the Arkansas Legislature with the concurrence of the Governor. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the Plan. LOPFI issues a publicly available financial report that includes financial statements and required supplementary information of the Plan, which may be obtained by contacting the following:

Arkansas Local Police and Fire Retirement System  
P.O. Drawer 34164  
Little Rock, Arkansas 72203  
501.682.1745

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

*Contributions.* Contributions to LOPFI are made by both the members and employers. Member contribution rates are established by the LOPFI Board of Trustees. The employer contributions are actuarially determined on an annual basis. The current employee contribution rate is 8.5 percent of covered payroll for policemen and firemen. The City contributed 24.00% of covered employee's salaries to the plan for policeman and 24.00% of covered employees' salaries to the plan for firemen for the year ended December 31, 2024. Contributions made to the plan by employees and the City for the year ended December 31, 2024 amounted to \$766,370 and \$1,968,484, respectively.

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

At December 31, 2024, the City reported a liability of \$17,918,606 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the ratio of the City's actual contributions to the Plan during the measurement period to the total employer contributions to the Plan of the group for the measurement period. At December 31, 2023, the City's proportion was 1.79018 percent, which was a decrease of .18971 percent from the prior year.

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

For the year ended December 31, 2024, the City recognized pension expense of \$1,668,179. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,196,441	\$ -
Change of assumptions	67,438	838,298
Net difference between projected and actual earnings on pension plan investments	1,658,417	-
Changes in proportion	-	1,200,728
Contributions subsequent to the measurement date	1,968,484	-
Total	\$ 5,890,780	\$ 2,039,026

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,968,484 will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as:

<b>Year Ending December 31</b>		
2025	\$	433,584
2026		949,851
2027		1,291,721
2028		(791,886)
Total	\$	1,883,270

**City of Texarkana, Arkansas**  
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**Actuarial Assumptions**

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

Actuarial cost method	Entry age normal
Price inflation	2.25 percent
Wage inflation	3.00 percent
Salary increases	3.50 to 18.00 percent, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

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

**Long-term Expected Return on Plan Assets**

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

<b>Long-term Expected Real Rate of Return</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Stock - Large Cap	21%	1.18%
U.S. Stock - Small Cap	21%	1.23%
International Equity	9%	0.62%
Emerging Markets	9%	0.81%
U.S. Corporate Bonds	25%	0.57%
Real Estate	5%	0.18%
Private Equity	10%	0.95%
Total	100%	

**City of Texarkana, Arkansas**  
**Notes to Financial Statements**  
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**Discount Rate**

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

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption</b>		
	<b>1% Decrease 6.25%</b>	<b>Current Single Rate Assumption 7.25%</b>	<b>1% Increase 8.25%</b>
City's proportionate share of the net pension liability	\$ 1,568,968,526	\$ 17,918,606	\$ 9,693,567

**Pension Plan Fiduciary Net Position**

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

**Agent Multiple-Employer Defined Benefit Plans**

The *Firefighter’s Relief and Pension Fund (FRPF)* is an agent multiple-employer defined benefit pension plan for employees of the Fire Department who were hired prior to January 1, 1983. The Plan was established in accordance with Arkansas statutes and was closed, by state law, to new employees effective January 1, 1983. On September 6, 2016, the City entered into an agreement with the Arkansas local police and fire (LOPFI) retirement system whereby LOPFI assumed responsibility for administration and a portion of the obligation of the Old Plans pursuant to Act 364 of 1981, as amended, and Act 655 of 1983 of the General Assembly of the State of Arkansas. Per the Agreement between the City and LOPFI, the City will contribute an actuarially determined rate sufficient to support the current plan benefit levels and fund the Plan’s net pension obligation over a 15-year open amortization period. The Plan’s benefit structure remains unchanged under the administration of LOPFI. The assets of the Plan are included in the pooled assets of the LOPFI System and a financial report that includes disclosures about the elements of the basic financial statements is available on the LOPFI’s website at [www.lopfi-prb.com](http://www.lopfi-prb.com).

**City of Texarkana, Arkansas**  
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The FRPF provides retirement benefits for firemen who have completed 20 years of service regardless of age. The benefit is equal to 50% of the member’s final salary, but not less than \$11,040. If service exceeds 20 years, the annual benefit is increased by \$240 for each year over 20, not to exceed \$1,200 per year and if service exceeds 25 years, the member will receive an additional 1.25% for each year over 25 years, however, the total benefit cannot exceed 100% of the member’s final salary. Disability benefits are available to firemen who become permanently disabled, unless the disability is the direct result of gainful employment performed outside of the fire department. This benefit is the same as noted above, but for non-duty disability cannot be less than \$11,040 per year and for duty-related disability cannot be less than 65% of the member’s final salary. The FRPF also provides benefits for surviving spouses and dependent children in which widow’s receive the same amount the member is receiving or would be eligible to receive and children receive \$1,500 per year until age 18 (23, if still in school). No benefits are vested to participants until normal retirement. At normal retirement, participants may elect to continue working and enter the Deferred Retirement Option Plan (DROP) for up to 10 years. All firemen hired after January 1, 1983, participate in the Arkansas Local Fire and Fire Retirement System created by Act 364 of 1981. Therefore, the FRPF is effectively closed to new members.

Contributions to the Firemen’s Fund were previously set forth in Arkansas statute. The City’s contribution to the Firemen’s Fund previously consisted of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner. Administrative costs were financed by the Firemen’s Fund. As the administration of the Plan was transferred to LOPFI in 2016, contributions from that point forth will now be actuarially determined annually. Contributions made to the plan by the City for the year ended December 31, 2023 amounted to \$92,188.

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

Retirees and beneficiaries	23
DROP members	-
Active members	-
	-
Total	23

As the plan is closed to new members and there are no active members included in the plan, there are no contributions made by members to the plan. The contribution rate for the City is actuarially determined on an annual basis.

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**Actuarial Assumptions**

Valuation date	December 31, 2023
Cost method	Individual entry-age normal
Asset valuation method	Market value of assets
Amortization method	Closed amortization period
Amortization period	10 years
Assumptions:	
Inflation rate	2.25%
Investment rate of return	7.25%
Projected salary increases	N/A

Mortality rates for retirees, beneficiaries, and DROP members were based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

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

**Long-term Expected Return on Plan Assets**

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

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

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The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

**Discount Rate**

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

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>Balances at January 1, 2024</b>	\$ 5,715,545	\$ 4,759,450	\$ 956,095
<b>Changes for the year:</b>			
Service cost	-	-	-
Interest	391,808	-	391,808
Differences between expected and actual experience	(311,947)	-	(311,947)
Assumption changes	-	-	-
Contributions - employer	-	92,188	(92,188)
Contributions - employee	-	-	-
Net investment income	-	693,909	(693,909)
Benefit payments, including refunds of employee contributions	(622,603)	(622,603)	-
Administrative expense	-	(5,815)	5,815
<b>Net changes</b>	<u>(542,742)</u>	<u>157,679</u>	<u>(700,421)</u>
<b>Balances at December 31, 2024</b>	<u>\$ 5,172,803</u>	<u>\$ 4,917,129</u>	<u>\$ 255,674</u>

**City of Texarkana, Arkansas**  
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**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

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

	<b>Sensitivity of the Net Position Liability (Asset) to the Single Discount Rate Assumption</b>		
	<b>1% Decrease 6.25%</b>	<b>Current Single Rate Assumption 7.25%</b>	<b>1% Increase 8.25%</b>
	Net Pension Liability/(Asset)	\$ 627,649	\$ 255,674

**Pension Plan Fiduciary Net Position**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources**

For the year ended December 31, 2024, the City recognized pension income of \$343,092 related to this plan.

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

	<b>Deferred Outflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 199,118
Total	\$ 199,118

The amounts reported as deferred outflows of resources related to pensions will be recognized in pension income as follows:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2025	\$ 12,496
2026	77,386
2027	182,895
2028	(73,659)
Total	\$ 199,118

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The *Texas Municipal Retirement System* (TMRS) provides pension benefits for all of the Utilities' full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide TMRS, an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the Utilities are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information (RSI) for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS at P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

*Benefits.* TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the Utility, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Utility-finance monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of the benefit as a Partial Lump Sum Distribution in the amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan's provisions are adopted by the Texarkana, Texas City Council, within the options available in the state statutes governing TMRS. Plan provisions for the Utility were as follows:

Employee deposit rate	7.00%
Matching ratio (City to employee)	2 to 1
Updated Service Credit:	
Rate	100T
Year effective	1992R
Increased benefits to retirees	
Rate	70%
Year effective	1992R
Military service credit effective date	October 1988
Years required for vesting	5 Years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Restricted prior service credit effective date	June 1995

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At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms for the plan as a whole:

Inactive employees or beneficiaries currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	78
Active Employees	178
 Total	 392

*Contributions.* The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Utility. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Utility were required to contribute 7% of their annual gross earnings during the fiscal year. The Utility’s contributions to TMRS for the year ended December 31, 2024, were \$443,187, and were equal to the required contributions.

**Actuarial Assumptions**

Inflation	2.50% per year
Overall Payroll Growth	2.65%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

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**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

<b>Long-term Expected Real Rate of Return</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Real Return	12.00%	8.10%
Real Estate	12.00%	5.80%
Absolute Return	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.00%	

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Changes in the Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at January 1, 2024</b>	\$ 17,829,685	\$ 14,830,371	\$ 2,999,314
<b>Changes for the year:</b>			
Service cost	465,535	-	465,535
Interest	1,173,118	-	1,173,118
Differences between expected and actual experience	74	-	74
Assumption changes	(130,733)	-	(130,733)
Contributions - employer	-	500,808	(500,808)
Contributions - employee	-	209,919	(209,919)
Net investment income	-	1,689,713	(1,689,713)
Benefit payments, including refunds of employee contributions	(885,741)	(885,741)	-
Administrative expense	-	(10,757)	10,757
Other changes	-	(79)	79
<b>Net changes</b>	<u>622,253</u>	<u>1,503,863</u>	<u>(881,610)</u>
<b>Balances at December 31, 2024</b>	<u>\$ 18,451,938</u>	<u>\$ 16,334,234</u>	<u>\$ 2,117,704</u>

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

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

	<b>Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption</b>		
	<b>1% Decrease 5.75%</b>	<b>Current Single Rate Assumption 6.75%</b>	<b>1% Increase 7.75%</b>
Utility's Net Pension Liability/(Asset)	<u>\$ 4,473,385</u>	<u>\$ 2,117,704</u>	<u>\$ 167,643</u>

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

For the year ended December 31, 2024, the Utility recognized pension expense of \$433,229.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 127,092	\$ 907
Change of assumptions	-	101,747
Net difference between projected and actual earnings on pension plan investments	404,081	-
Contributions subsequent to the measurement date	433,187	-
Total	\$ 964,360	\$ 102,654

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$433,187 will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Year Ending December 31</b>
2025	\$ 156,528
2026	129,495
2027	280,395
2028	(137,899)
Total	\$ 428,519

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**Note 10: Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City’s plan was amended effective July 15, 1997, to provide that all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City has delegated administrative and investment responsibilities to a third party administrator, ICMA Retirement Corporation, and as such, the plan assets do not meet the requirements for inclusion in the City’s financial statements as of December 31, 2024.

**Note 11: Other Postemployment Benefits**

The City of Texarkana, Arkansas participates in two other postemployment benefit plans. The aggregate amounts for the two plans are as follows:

	<b>Total OPEB Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>OPEB Expense</b>
Governmental Activities	\$ 1,565,175	\$ 475,950	\$ 2,205,209	\$ 1,587
Proprietary Funds	485,165	25,257	146,594	240,001
	<u>\$ 2,050,340</u>	<u>\$ 501,207</u>	<u>\$ 2,351,803</u>	<u>\$ 241,588</u>

**Governmental Activities**

*Plan Description:* The City of Texarkana sponsors and administers an informal single-employer defined benefit healthcare plan. Arkansas statute provides that any municipal city official or employee vested in any of the City’s retirement plans with 20 years of service and attains 55 years of age may continue to participate in the City’s healthcare plan after retirement. The State of Arkansas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements of the plan but all required information is presented in this report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Funding Policy:* The contribution requirements of plan members are established by the City and may be amended as needed. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the City’s health insurance plan. Currently, retired employees who retired under age 55 and employees retiring who are under age 55 are eligible to continue medical coverage only with a lifetime maximum benefit of \$250,000 provided they have participated in the Fund for at least five years. Such retired employees and their dependents shall not have benefit of the stop-loss provision or have dental and vision benefits. Retired employees

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who retired at age 55 and over are eligible to continue medical, dental and vision coverage only. All retired employees shall be entitled to \$5,000 annual reinstatement of benefits. Retired employees may remain covered provided the City remains in the Municipal Health Benefit Fund.

As of December 31, 2024, there are 22 retirees participating in the postemployment health benefit program. Participant contributions totaled \$150,399 in 2024.

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

Inactive plan members or beneficiaries currently receiving benefit payments	22
Inactive plan members entitled to but not receiving benefit payments	-
Active members	193
Total	215

*Total OPEB Liability* – The City’s total OPEB liability of \$1,565,175 was measured as of December 31, 2024 and was determined by an actuarial valuation as December 31, 2024.

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

Discount rate	4.00 percent based on the 20 year municipal bond rate from the S & P Municipal Bond index. Prior discount rate was 4.31 percent based on the 20 year municipal bond rate
Inflation rate	3.00 percent
Healthcare cost trend rates	8.00 percent for 2024 decreasing 0.5% annually, to an ultimate rate of 5.00 percent for 2031
Cost method	Entry age normal
Mortality	RP 2014 Mortality Table

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*Changes in Total OPEB Liability*

Total OPEB liability - January 1	\$	2,811,173
Service Cost		60,148
Interest		111,845
Differences between expected and actual experience		(1,236,395)
Changes of assumptions or other inputs		(31,197)
Benefit payments		(150,399)
Net change in total OPEB liability		(1,245,998)
Total OPEB liability - December 31	\$	1,565,175

*Sensitivity of the Total OPEB Liability to the Discount Rate* – The following represents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current discount rate:

	<b>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</b>		
	1% Decrease	Discount Rate	1% Increase
	3.28%	4.28%	5.28%
Other Postemployment Benefits Liability	\$ 1,679,847	\$ 1,565,175	\$ 1,459,562

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

	<b>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates</b>		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Other Postemployment Benefits Liability	\$ 1,422,774	\$ 1,565,175	\$ 1,731,250

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*OPEB Expense and Deferred Outflows/ Inflows of Resources Related to OPEB* – For the year ended December 31, 2024, the City recognized OPEB expense of \$1,587. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 162,749	\$ 1,745,070
Changes of assumptions	313,201	460,139
Total	\$ 475,950	\$ 2,205,209

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

<b>Fiscal Year Ended December 31,</b>	<b>Annual OPEB Cost</b>
2025	\$ (170,406)
2026	(170,406)
2027	(170,406)
2028	(170,406)
2029	(170,412)
Thereafter	(877,223)
	\$ (1,729,259)

*Required Supplementary Information* – Required supplementary information for the schedule of changes in City’s total OPEB liability and related ratios is presented immediately following the Notes to the Financial Statements.

**Proprietary Funds**

In addition to the retirement benefits described in *Note 9*, eligible employees hired before January 1, 2010, receive upon retirement 1) a lump sum payment of their sick leave balance at retirement which is equal to their sick leave hours (limited to 720 for non-Civil Service) valued at their hourly pay rate, and 2) an additional amount equal to their sick leave balance used to pay future monthly healthcare contributions. Since the sick leave balance in item two can only be used for healthcare, it is included as a single-employer other postemployment defined benefit plan (OPEB).

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Upon retirement, eligible employees hired after January 1, 2010 may choose either a lump sum payment of up to 720 hours of sick leave at their current rate of pay or an equivalent amount to be used to pay future monthly healthcare contributions, but they cannot get both. Once retirees participating in postemployment health care benefits reach sufficient age to become Medicare eligible, they can no longer remain on the insurance, but if they enroll in Medicare, their Medicare supplement premiums can then be paid from any remaining sick leave buyout balance. Eligible employees who retire at Medicare eligible age cannot remain on the employer insurance, but their Medicare supplement premiums can be paid from their sick leave buyout balance.

Eligible employees who choose to remain on the employer insurance are allowed to continue any coverage they may have at retirement, which includes self, spouse, children, and family coverage options, but those coverage options cannot be added post-retirement.

For the plan, no assets are accumulated in a trust that meet the criteria of GASB Statement No. 75.

At the September 30, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Actives	178
Retirees	13
Total	191

**Contributions**

Benefit levels and contribution rates are approved annually by City management and the City Council as part of the budget process. The Utility does not make advance funding contributions, but instead operates under a pay-as-you-go method. An irrevocable trust has not been established that meets the criteria established under GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund and does not issue a separate financial report.

**Total OPEB Liability**

The Utility’s Total OPEB Liability was measured as of September 30, 2024 and Total OPEB liability used to calculate the Total OPEB liability was determined by an actuarial valuation as of October 1, 2024.

**Actuarial methods and assumptions**

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant’s date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount

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sufficient to fund his projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

Valuation Date	October 1, 2024
Measurement Date	September 30, 2024
Discount Rate for Valuing Liabilities	4.06% per annum, as required by GASB 75 (4.87% in prior year)
Rate of Inflation	2.5%, per annum
Mortality Rates	Non-Annuitants: Sex distinct headcount weighted 2010 PUB mortality table for general employees with mortality improvement scale MP-2021  Annuitants: Sex distinct headcount weighted 2010 PUB mortality table for general retirees with mortality scale MP-2021
Assumed Sick Leave Balance	Active participants assumed to have the maximum sick leave balance accrued at time of retirement. Retirees use actual sick leave balance.
Disability Rates	None
Payroll Increase	2.75%
Participation Assumption	100% of those with an accrued balance at retirement are assumed to elect medical coverage and 25% of retirees are assumed to cover their spouse.

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**Changes in Total OPEB Liability**

Balance as of January 1, 2024	\$	422,692
Changes for the year:		
Service cost		35,388
Interest on total OPEB liability		23,042
Difference between expected and actual experience		-
Effect of assumptions changes or inputs		20,536
Benefit payments		<u>(16,493)</u>
Balance as of December 31, 2024	\$	<u><u>485,165</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Utility calculated using the discount rate of 4.06%, as well as what the Utility’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.06%) or 1% higher (5.06%) than the current rate. This is also calculated using healthcare cost trend rates.

Discount Rate Sensitivity			Healthcare Cost Trend Rates		
1% Decrease 3.06%	Discount Rate 4.06%	1% Increase 5.06%	1% Decrease 5.51%/3.79%	Current Rates 6.51%/4.79%	1% Increase 7.51%/5.79%
\$ 434,270	\$ 485,165	\$ 388,872	\$ 405,124	\$ 485,165	\$ 417,212

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2024, the Utility recognized the OPEB expense of \$240,001.

At December 31, 2024, the Utility had deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	<u>25,257</u>	<u>146,594</u>
Total	<u><u>\$ 25,257</u></u>	<u><u>\$ 146,594</u></u>

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

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

<b>Year</b>	<b>Amounts to be</b>
<b>December 31</b>	<b>Expenses in Future</b>
<u>December 31</u>	<u>Expense Calculations</u>
2025	\$ (24,717)
2026	(33,218)
2027	(32,773)
2028	(22,097)
2029	(11,803)
2030	3,271
	<u>\$ (121,337)</u>

**Note 12: Risk Management**

***Insurance Coverage***

The City and its component units have various insurance policies to cover their potential liability risk areas (*i.e.*, automobile, personal property, contents and outside structures and workers' compensation). The type of coverage and the liability limits vary with each entity. Coverage is provided through the Arkansas Public Entities Risk Management Association (APERMA), which is an association of local governments. APERMA provides the City with property coverage. The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered City property.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

The city provides statutory workmen's compensation benefits under an insured plan of the Arkansas Municipal League Workers Compensation Trust. Costs of the program are charged to the appropriate fund. Contributions are made by members and the funds are deposited in the Trust account managed by the Arkansas Municipal League and used to pay claims. Depending on the status of the fund at the end of the year, assessments are made or dividends are declared. Unpaid claims reserve represents Arkansas Municipal League's estimation of the amount to be paid for the claims submitted.

There have been no significant reductions in coverage from 2022 to 2024; nor have settlement amounts exceeded insurance coverage for each of the past three years.

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

**Note 13: Property Taxes**

City property taxes are levied each November on the assessed value listed as of January 1 for all real and personal property located in the City. The property tax is considered due the first Monday in January (the lien date) after the levy; however, the tax is not considered delinquent until October 16 of that year. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period. Property taxes, which remain delinquent for a period of three years, are certified to the land commissioner where a lien is recorded and held on file. If property taxes remain delinquent for a period of seven years, the property will be subsequently sold by the land commissioner. If proceeds from the sale are sufficient to cover all claims, the City will collect on the past due property taxes. Miller County is the collecting agent and remits collections to the City, net of a collection fee, on a monthly basis.

In the governmental funds, property taxes are measurable when levied even though not available. As a result, at December 31, 2024, property taxes receivable of \$7,029,639 and related deferred inflows of resources of \$6,406,566 have been recorded in the governmental funds. In the government-wide statement of net position, property taxes are considered earned at the time levied. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible. The appraised value of taxable property upon which the property tax is levied is determined by the county assessor. The assessor estimates full market value of the property and applies the statutory rate of 20% to arrive at assessed value.

**Note 14: Tax Abatements**

The City enters into certain tax abatement agreements with local businesses in accordance with State Law for the purpose of attracting or retaining businesses within its jurisdiction. The abatements may be granted to any business located within or promising to relocate to the City.

The City currently has an agreement with a hotel company whereby the City will rebate all A&P taxes for a period of 15 years, to be concluded in 2025, to be used exclusively for the operation and maintenance of the convention center and Water Park constructed. Authority to enter into the agreements were afforded to the City Manager by the City's Board of Directors. In order to be eligible for the abatement, the company was required to construct a hotel/convention center and Water Park in the Crossroads Business Park in Texarkana, Arkansas.

# City of Texarkana, Arkansas

## Notes to Financial Statements

### December 31, 2024

For the fiscal year ended December 31, 2024, the City abated A&P taxes totaling approximately \$62,000, which account for approximately 4% of the A&P fund tax revenue. In addition to the annual rebate, the City has made other commitments in association with the agreement, which include an annual contribution of \$250,000 for 20 years (expiring in 2030) for maintenance and operation of the Water Park. These annual contributions are contingent upon the continued operation of the facilities and the need for maintenance and are evaluated annually. For the fiscal year ended December 31, 2024, the City made an annual contribution of \$375,000 to the company.

There were no amounts received or receivable from other governments in association with the forgone tax revenues.

#### **Note 15: Contingencies and Commitments**

##### ***Contingencies***

The City participates in several federal financial assistance programs. The City's grant programs are subject to multiple compliance requirements and are subject to resolution of questioned costs, if any. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

The City is a member of the Arkansas Municipal League (AML). The program shall provide legal defense in civil rights suits against the City government of a participating City and pay judgments imposed on City officials and employees and the City government and city-formed boards and commissions. AML will pay any judgement rendered against the City in an amount not to exceed 25% of the AML available funds at the time the lawsuit was filed or the judgement becomes final, or one million dollars, whichever is less unless a pending case is excluded from coverage. The City shall pay into the program each year a charge established annually. In the opinion of the City Attorney, the amount of financial exposure to the City as a result of litigation matters handled by the Program is not significant to the City.

The City, its agencies, and its employees are defendants in various legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the City for property damage and personal injury, other alleged torts, and alleged violations of state and federal laws. It is not possible to predict with certainty or exactitude the ultimate outcome of all lawsuits pending or threatened against the City. Based on the current status of all of the legal proceedings, it is the opinion of the City Attorney and management that the ultimate outcome will not have a material adverse impact on the City's financial position. However, events could occur in the near term that would cause these estimates to change materially.

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

***Commitments***

On December 22, 2020, the City entered into a joint lease agreement with the City of Texarkana, Arkansas, Public Facilities Board and Miller County. The lease agreement is for a one-year period with options to extend in annual increments through 2041. The option to extend shall be deemed automatically exercised by each Lessee unless one hundred twenty days prior to the end of the term the Lessee shall give notice to the Lessor, the Bondholder and other Lessee written notice that the Lessee does not elect to have this agreement extended. In the event that the extensions are exercised, the City will pay approximately \$306,000 annually through 2041.

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## **Required Supplementary Information**

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Liability and Related Ratios – PRPF**

Fiscal year ended December 31,	2024	2023	2022	2021	2020
<b>Total Pension Liability</b>					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	533,017	536,061	590,004	592,792	594,556
Benefit Changes	-	-	-	-	-
Difference Between Actual & Expected Experience	195,525	404,357	(604,579)	(89,261)	398,320
Assumption Changes	-	-	-	456,067	-
Benefit Payments	(915,483)	(1,087,135)	(1,041,429)	(989,306)	(1,066,970)
Refunds	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	(186,941)	(146,717)	(1,056,004)	(29,708)	(74,094)
<b>Total Pension Liability - Beginning</b>	11,118,073	11,264,790	12,320,794	12,350,502	12,424,596
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 10,931,132</u>	<u>\$ 11,118,073</u>	<u>\$ 11,264,790</u>	<u>\$ 12,320,794</u>	<u>\$ 12,350,502</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employee	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employer	985,725	869,017	870,270	697,821	678,497
Net Investment Income	81,267	604,813	(354,700)	555,434	559,509
Benefit Payments	(915,483)	(1,087,135)	(1,041,429)	(989,306)	(1,066,970)
Administrative Expense	51,333	-	-	-	(7,300)
Reconciliation Adjustment	-	125,072	(2,574)	2,904	-
<b>Net Change in Plan Fiduciary Net Position</b>	202,842	511,767	(528,433)	266,853	163,736
<b>Plan Fiduciary Net Position - Beginning</b>	5,501,845	4,990,078	5,518,511	5,251,658	5,087,922
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 5,704,687</u>	<u>\$ 5,501,845</u>	<u>\$ 4,990,078</u>	<u>\$ 5,518,511</u>	<u>\$ 5,251,658</u>
<b>Net Pension Liability (a) - (b)</b>	<u>\$ 5,226,445</u>	<u>\$ 5,616,228</u>	<u>\$ 6,274,712</u>	<u>\$ 6,802,283</u>	<u>\$ 7,098,844</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	52.19%	49.49%	44.30%	42.52%	40.95%
<b>Covered Payroll</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A

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

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Liability and Related Ratios – PRPF**  
**(Continued)**

Fiscal year ended December 31,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	408,721	628,849	659,269	751,303	878,014
Benefit Changes	-	-	-	-	(378,000)
Difference Between Actual & Expected Experience	193,772	57,548	195,575	(1,311,299)	(476,658)
Assumption Changes	-	-	-	-	-
Benefit Payments	(1,130,268)	(1,023,249)	(1,406,731)	(1,164,092)	(1,162,333)
Refunds	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>(527,775)</u>	<u>(336,852)</u>	<u>(551,887)</u>	<u>(1,724,088)</u>	<u>(1,138,977)</u>
<b>Total Pension Liability - Beginning</b>	<u>12,952,371</u>	<u>13,289,223</u>	<u>13,841,110</u>	<u>15,565,198</u>	<u>16,704,175</u>
<b>Total Pension Liability - Ending (a)</b>	<u><u>\$ 12,424,596</u></u>	<u><u>\$ 12,952,371</u></u>	<u><u>\$ 13,289,223</u></u>	<u><u>\$ 13,841,110</u></u>	<u><u>\$ 15,565,198</u></u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employee	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employer	759,151	734,533	893,926	895,983	854,698
Net Investment Income	742,303	(186,564)	469,539	365,678	(229,837)
Benefit Payments	(1,130,268)	(1,023,249)	(1,406,731)	(1,164,092)	(1,162,333)
Administrative Expense	6,100	(6,000)	(5,850)	(5,750)	(5,650)
Reconciliation Adjustment	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>377,286</u>	<u>(481,280)</u>	<u>(49,116)</u>	<u>91,819</u>	<u>(543,122)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>4,710,636</u>	<u>5,191,916</u>	<u>5,241,032</u>	<u>5,149,213</u>	<u>5,692,335</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 5,087,922</u></u>	<u><u>\$ 4,710,636</u></u>	<u><u>\$ 5,191,916</u></u>	<u><u>\$ 5,241,032</u></u>	<u><u>\$ 5,149,213</u></u>
<b>Net Pension Liability (a) - (b)</b>	<u><u>\$ 7,336,674</u></u>	<u><u>\$ 8,241,735</u></u>	<u><u>\$ 8,097,307</u></u>	<u><u>\$ 8,600,078</u></u>	<u><u>\$ 10,415,985</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	40.95%	36.37%	39.07%	37.87%	33.08%
<b>Covered Payroll</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A

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

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Contributions – PRPF**

FY Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 2,572,506	\$ 774,794	\$ 1,797,712	N/A	N/A
2016	2,443,461	794,945	1,648,516	N/A	N/A
2017	2,034,940	741,282	1,293,658	N/A	N/A
2018	1,880,817	734,533	1,146,284	N/A	N/A
2019	1,935,832	759,151	1,176,681	N/A	N/A
2020	1,755,461	678,497	1,076,964	N/A	N/A
2021	1,711,724	697,821	1,013,903	N/A	N/A
2022	1,653,429	870,270	783,159	N/A	N/A
2023	1,745,101	1,053,539	691,562	N/A	N/A
2024	1,412,308	1,141,286	271,022	N/A	N/A

**Key Assumptions for ADC:**

Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization	5 Years
Asset Valuation	Market Value
Investment Rate of Return	5.00%
Mortality	After 2021, Pub-2010 General, Below Median Income, Healthy Set forward 1 year males, 2 years female, projected MP-2020 (Before 2022, 1983 GAM)

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Investment Returns – PRPF**

<b>Fiscal Year Ended December 31,</b>	<b>Annual Return</b>
2015	-4.72%
2016	8.22%
2017	10.91%
2018	-6.22%
2019	21.37%
2020	11.61%
2021	11.21%
2022	-7.23%
2023	13.88%
2024	1.66%

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Liability and Related Ratios –  
TAPERS**

Fiscal year ended June 30,	2024	2023	2022	2021	2020
<b>Total Pension Liability</b>					
Service Cost	\$ 84,126	\$ 88,977	\$ 152,908	\$ 144,788	\$ 118,256
Interest	353,502	342,363	236,255	292,483	343,890
Difference Between Actual & Expected Experience	71,328	(55,216)	147,575	(564,312)	109,323
Assumption Changes	(149,279)	(271,508)	(2,253,642)	677,215	1,185,194
Benefit Payments	(414,241)	(373,840)	(631,672)	(859,649)	(478,343)
<b>Net Change in Total Pension Liability</b>	(54,564)	(269,224)	(2,348,576)	(309,475)	1,278,320
<b>Total Pension Liability - Beginning</b>	8,764,411	9,033,635	11,382,211	11,691,686	10,413,366
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 8,709,847</u>	<u>\$ 8,764,411</u>	<u>\$ 9,033,635</u>	<u>\$ 11,382,211</u>	<u>\$ 11,691,686</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 333,512	\$ 294,866	\$ 247,647	\$ 161,807	\$ 150,227
Contributions - Member	9,817	8,973	9,529	12,361	13,379
Net Investment Income	364,310	149,697	(261,133)	517,237	(38,807)
Benefit Payments	(414,241)	(373,840)	(631,672)	(859,649)	(478,343)
Administrative Expense	(37,316)	(32,127)	(26,402)	(26,909)	(34,689)
Other changes	62,825	2,021	-	(2,321)	(2,311)
<b>Net Change in Plan Fiduciary Net Position</b>	318,907	49,590	(662,031)	(197,474)	(390,544)
<b>Plan Fiduciary Net Position - Beginning</b>	2,201,753	2,152,163	2,814,194	3,011,668	3,402,212
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,520,660</u>	<u>\$ 2,201,753</u>	<u>\$ 2,152,163</u>	<u>\$ 2,814,194</u>	<u>\$ 3,011,668</u>
<b>Net Pension Liability (a) - (b)</b>	<u>\$ 6,189,187</u>	<u>\$ 6,562,658</u>	<u>\$ 6,881,472</u>	<u>\$ 8,568,017</u>	<u>\$ 8,680,018</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	28.94%	25.12%	23.82%	24.72%	25.76%
<b>Covered Payroll</b>	\$ 455,692	\$ 450,354	\$ 476,861	\$ 620,511	\$ 597,900
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	1358.20%	1457.22%	1443.08%	1380.80%	1451.75%

Note: Information in this schedule has been determined as of the measurement date which is June 30.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Liability and Related Ratios –  
TAPERS (Continued)**

Fiscal year ended June 30,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost	\$ 127,376	\$ 155,442	\$ 190,741	\$ 148,947	\$ 157,063
Interest	369,514	371,029	312,689	352,380	383,918
Benefit Changes	-	-	-	-	-
Difference Between Actual & Expected Experience	(773)	(189,311)	244,662	(12,438)	(303,978)
Assumption Changes	643,576	(37,703)	(567,285)	1,176,834	533,271
Benefit Payments	<u>(467,864)</u>	<u>(333,624)</u>	<u>(284,717)</u>	<u>(427,407)</u>	<u>(599,657)</u>
<b>Net Change in Total Pension Liability</b>	671,829	(34,167)	(103,910)	1,238,316	170,617
<b>Total Pension Liability - Beginning</b>	<u>9,741,537</u>	<u>9,775,704</u>	<u>9,879,614</u>	<u>8,641,298</u>	<u>8,470,681</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 10,413,366</u>	<u>\$ 9,741,537</u>	<u>\$ 9,775,704</u>	<u>\$ 9,879,614</u>	<u>\$ 8,641,298</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 108,742	\$ 125,659	\$ 124,282	\$ 162,438	\$ 100,142
Contributions - Member	12,582	15,132	16,340	16,870	18,255
Net Investment Income	94,486	269,494	336,470	(23,036)	74,808
Benefit Payments	(467,864)	(333,624)	(284,717)	(427,407)	(599,657)
Administrative Expense	<u>(30,884)</u>	<u>(28,179)</u>	<u>(46,899)</u>	<u>(29,946)</u>	<u>(59,688)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(282,938)	48,482	145,476	(301,081)	(466,140)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,685,150</u>	<u>3,636,668</u>	<u>3,491,192</u>	<u>3,792,273</u>	<u>4,258,413</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 3,402,212</u>	<u>\$ 3,685,150</u>	<u>\$ 3,636,668</u>	<u>\$ 3,491,192</u>	<u>\$ 3,792,273</u>
<b>Net Pension Liability (a) - (b)</b>	<u>\$ 7,011,154</u>	<u>\$ 6,056,387</u>	<u>\$ 6,139,036</u>	<u>\$ 6,388,422</u>	<u>\$ 4,849,025</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	32.67%	37.83%	37.20%	35.34%	43.89%
<b>Covered Payroll</b>	\$ 625,483	\$ 807,499	\$ 817,749	\$ 823,930	\$ 943,584
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	1120.92%	750.02%	750.72%	775.36%	513.89%

Note: Information in this schedule has been determined as of the measurement date which is June 30.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Contributions – TAPERS**

FY Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 382,196	\$ 101,157	\$ 281,039	\$ 943,584	10.72%
2016	424,388	159,348	265,040	823,930	19.34%
2017	416,373	121,286	295,087	817,749	14.83%
2018	440,488	125,659	314,829	807,499	15.56%
2019	433,759	108,742	325,017	625,483	17.39%
2020 (1)	440,502	148,799	291,703	597,900	24.89%
2021 (2)	540,985	161,807	379,178	620,511	26.08%
2022 (3)	504,337	247,647	256,690	476,861	51.93%
2023 (4)	536,995	294,866	242,129	450,354	65.47%
2024 (4)	535,686	333,512	202,174	455,692	73.19%

**Key Assumptions for ADC:**

Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation	Market Value
Inflation	2.25%
Salary Increases	3.00%
Investment Rate of Return	5.00%
Cost of Living Increases	None
Mortality	Gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2014 to account for future mortality improvements

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

- (1): Assumption changes for the 2020 valuation include a change in discount rate from 3.36% in 2019 to 2.58% in 2020  
(2): Assumption changes for the 2021 valuation include a change in discount rate from 2.58% in 2020 to 2.13% in 2021  
(3): Assumption changes for the 2022 valuation include a change in discount rate from 2.13% in 2021 to 3.85% in 2022  
(4): Assumption changes for the 2023 valuation include a change in discount rate from 3.85% in 2022 to 4.11% in 2023  
(5): Assumption changes for the 2024 valuation include a change in discount rate from 4.11% in 2023 to 4.26% in 2024

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Investment Returns – TAPERS**

<b>Fiscal Year Ended June 30,</b>	<b>Annual Return</b>
2015	1.36%
2016	-1.12%
2017	9.70%
2018	7.59%
2019	2.68%
2020	-1.20%
2021	19.00%
2022	-10.33%
2023	7.14%
2024	16.92%

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Asset and Related Ratios –  
TWUPERS**

Fiscal year ended June 30,	2024	2023	2022	2021	2020
<b>Total Pension Liability</b>					
Interest	\$ 23,061	\$ 54,555	\$ 29,123	\$ 32,087	\$ 36,997
Difference Between Actual & Expected Experience	(19,758)	(52,951)	(55,282)	(38,646)	(8,635)
Assumption Changes	-	-	1,000	9,000	(95,000)
Benefit Payments	(25,149)	(68,131)	(137,841)	(36,441)	(33,046)
<b>Net Change in Total Pension Liability</b>	(21,846)	(66,527)	(163,000)	(34,000)	(99,684)
<b>Total Pension Liability - Beginning</b>	671,473	738,000	901,000	935,000	1,034,684
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 649,627</u>	<u>\$ 671,473</u>	<u>\$ 738,000</u>	<u>\$ 901,000</u>	<u>\$ 935,000</u>
<b>Plan Fiduciary Net Position</b>					
Net Investment Income	\$ 258,094	\$ 147,497	\$ (491,781)	\$ 571,559	\$ 187,877
Benefit Payments	(25,149)	(68,131)	(137,841)	(36,441)	(33,046)
Administrative Expense	(4,170)	(9,424)	(20,391)	(19,902)	(17,156)
Reconciliation Adjustment	-	-	(341)	(8,964)	(7,723)
<b>Net Change in Plan Fiduciary Net Position</b>	228,775	69,942	(650,354)	506,252	129,952
<b>Plan Fiduciary Net Position - Beginning</b>	2,896,398	2,826,456	3,476,810	2,970,558	2,840,606
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 3,125,173</u>	<u>\$ 2,896,398</u>	<u>\$ 2,826,456</u>	<u>\$ 3,476,810</u>	<u>\$ 2,970,558</u>
<b>Net Pension Asset (a) - (b)</b>	<u>\$ (2,475,546)</u>	<u>\$ (2,224,925)</u>	<u>\$ (2,088,456)</u>	<u>\$ (2,575,810)</u>	<u>\$ (2,035,558)</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	481.07%	431.35%	382.99%	385.88%	317.71%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Asset as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A

Note: Information in this schedule has been determined as of the measurement date which is June 30.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Asset and Related Ratios –  
TWUPERS (Continued)**

Fiscal year ended June 30,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Interest	\$ 25,715	\$ 49,713	\$ 42,459	\$ 48,445	\$ 48,440
Difference Between Actual & Expected Experience	(29,670)	10,643	(14,236)	(113,096)	(17,519)
Assumption Changes	(5,000)	41,000	3,000	3,000	3,000
Benefit Payments	(68,697)	(172,696)	(121,267)	(87,302)	(66,248)
<b>Net Change in Total Pension Liability</b>	(77,652)	(71,340)	(90,044)	(148,953)	(32,327)
<b>Total Pension Liability - Beginning</b>	1,112,336	1,183,676	1,273,720	1,422,673	1,455,000
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 1,034,684</u>	<u>\$ 1,112,336</u>	<u>\$ 1,183,676</u>	<u>\$ 1,273,720</u>	<u>\$ 1,422,673</u>
<b>Plan Fiduciary Net Position</b>					
Net Investment Income	\$ 207,360	\$ 134,374	\$ 230,631	\$ 30,416	\$ 87,231
Benefit Payments	(68,697)	(172,696)	(121,267)	(87,302)	(66,248)
Administrative Expense	(27,370)	(16,053)	(21,467)	(44,277)	(19,991)
Reconciliation Adjustment	(7,560)	(8,082)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	103,733	(62,457)	87,897	(101,163)	992
<b>Plan Fiduciary Net Position - Beginning</b>	2,736,873	2,799,330	2,711,433	2,812,596	2,811,604
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,840,606</u>	<u>\$ 2,736,873</u>	<u>\$ 2,799,330</u>	<u>\$ 2,711,433</u>	<u>\$ 2,812,596</u>
<b>Net Pension Asset (a) - (b)</b>	<u>\$ (1,805,922)</u>	<u>\$ (1,624,537)</u>	<u>\$ (1,615,654)</u>	<u>\$ (1,437,713)</u>	<u>\$ (1,389,923)</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	274.54%	246.05%	236.49%	212.88%	197.70%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Asset as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A

Note: Information in this schedule has been determined as of the measurement date which is June 30.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Investment Returns – TWUPERS**

<b>Fiscal Year Ended June 30,</b>	<b>Annual Return</b>
2015	3.15%
2016	1.11%
2017	8.63%
2018	4.98%
2019	7.74%
2020	6.64%
2021	17.98%
2022	-15.60%
2023	5.29%
2024	8.96%

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

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

<b>City Fiscal year ended December 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's proportion of the net pension liability	0.00269771%	0.00254907%	0.00241595%	0.00204743%	0.00315034%	0.00298197%	0.00297747%	0.00302246%	0.00293398%	0.00292311%
City's proportionate share of the net pension liability	\$ 67,122	\$ 74,285	\$ 65,143	\$ 15,741	\$ 90,213	\$ 71,941	\$ 65,681	\$ 78,105	\$ 70,162	\$ 53,836
City's covered payroll	60,877	59,305	50,503	36,033	62,575	58,010	56,472	54,473	53,158	51,863
City's proportionate share of the net pension liability as a percentage of its covered payroll	110.26%	125.26%	128.99%	43.68%	144.17%	124.01%	116.31%	143.38%	131.99%	103.80%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	77.94%	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%

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

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of City Contributions – APERS**

<b>City Fiscal year ended December 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 9,389	\$ 8,655	\$ 7,737	\$ 7,263	\$ 9,417	\$ 8,742	\$ 8,490	\$ 7,899	\$ 7,808	\$ 7,686
Contributions in relate to the contractually required contribution	(9,389)	(8,655)	(7,737)	(7,263)	(9,417)	(8,742)	(8,490)	(7,899)	(7,808)	(7,686)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 60,877	\$ 59,305	\$ 50,503	\$ 36,033	\$ 62,575	\$ 58,010	\$ 56,472	\$ 55,168	\$ 53,849	\$ 52,545
Contributions as a percentage of covered payroll	15.42%	14.59%	15.32%	20.16%	15.05%	15.07%	15.03%	14.32%	14.50%	14.63%

Note: Information in this schedule has been determined as of the measurement date which is June 30.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of the City's Proportionate Share of the Net Pension Liability – LOPFI**

City Fiscal year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.79018000%	1.97989000%	2.01592000%	2.04607000% (3)	2.06896000%	2.11039000% (2)	2.11065000%	2.02054000%	2.03802867% (1)	2.00463000%
City's proportionate share of the net pension liability	\$ 17,918,606	\$ 21,139,107	\$ 10,186,730	\$ 14,066,456	\$ 15,987,658	\$ 19,043,709	\$ 14,998,214	\$ 11,527,812	\$ 10,695,056	\$ 7,256,932
City's covered payroll	8,803,674	8,446,353	8,289,407	8,399,486	8,288,751	8,465,248	7,800,263	7,484,833	7,516,626	7,527,269
City's proportionate share of the net pension liability as a percentage of its covered payroll	203.54%	250.27%	122.89%	167.47%	192.88%	224.96%	192.28%	154.02%	142.29%	96.41%
Plan fiduciary net position as a percentage of the total pension liability	73.50%	69.07%	84.67%	77.68%	73.20%	66.09%	71.50%	72.90%	72.90%	79.14%

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

(1): Assumption changes for 2015 valuation include a decrease in price inflation from 3.00 to 2.75 percent; a decrease in wage inflation from 4.00 to 3.75 percent; a decrease in salary increases from 4.50 to 19 percent to 4.25 to 18.75 percent; and a decrease in the investment rate of return from 8.00 to 7.75 percent.

(2): Assumption changes for 2018 valuation include a price inflation change from 2.75 to 2.50 percent; a wage inflation change from 3.75 to 3.25 percent and investment rate of return from 7.75% to 7.00%

(3): Assumption changes for 2020 valuation include a salary increases change from a range of 4.25 to 18.75 in 2019 to a range of 3.75 to 18.25

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of City Contributions – LOPFI**

City Fiscal year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,968,484	\$ 1,975,536	\$ 1,910,611	\$ 1,836,012 (2)	\$ 1,809,656	\$ 1,726,580	\$ 1,647,850	\$ 1,585,751	\$ 1,334,945 (1)	\$ 1,262,355
Contributions in relate to the contractually required contribution	(1,968,484)	(1,975,536)	(1,910,611)	(1,836,012)	(1,809,656)	(1,726,580)	(1,647,850)	(1,585,751)	(1,334,945)	(1,262,355)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 8,234,404	\$ 8,803,674	\$ 8,446,353	\$ 8,289,407	\$ 8,399,486	\$ 8,288,751	\$ 8,465,248	\$ 7,800,263	\$ 7,484,833	\$ 7,516,626
Contributions as a percentage of covered payroll	23.91%	22.44%	22.62%	22.15%	21.54%	20.83%	19.47%	20.33%	17.84%	16.79%

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

(1): Assumption changes for 2015 valuation include a decrease in price inflation from 3.00 to 2.75 percent; a decrease in wage inflation from 4.00 to 3.75 percent; a decrease in salary increases from 4.50 to 19 percent to 4.25 to 18.75 percent; and a decrease in the investment rate of return from 8.00 to 7.75 percent.

(2): Assumption changes for 2020 valuation include a decrease in price inflation from 2.75 to 2.50 percent; a decrease in wage inflation from 3.75 to 3.25 percent; a decrease in salary increases from 4.25 to 18.75 percent to 3.75 to 18.25 percent; and a decrease in the investment rate of return from 7.75 to 7.50 percent.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	16.0 years beginning January 1, 2023
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Inflation	3.00%
Price Inflation	2.25%
Salary Increases	3.50% to 18.00%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last update for the 2021 valuation pursuant to the experience study of the period 2017-2020
Mortality	The healthy post-retirement tables used were the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables, set forward one year for males, and two years for females. The disability post-retirement mortality tables used were the Pub-2010 Amount-Weighted General Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the City's Net Pension Liability and Related Ratios –  
FRPF**

Fiscal year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016**	2015**
<b>Total Pension Liability</b>										
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	391,808	388,604	392,402	395,141	412,882	418,380	452,267	575,430	426,648	425,030
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference Between Actual & Expected Experience	(311,947)	189,719	179,384	164,733	(67,576)	107,232	(20)	(967,290)	(635,022)	123,866
Assumption Changes	-	(99,745)	(7,129)	-	-	-	289,364	-	-	-
Benefit Payments	(622,603)	(629,028)	(608,803)	(589,217)	(608,276)	(600,037)	(600,862)	(552,369)	(594,250)	(611,404)
<b>Net Change in Total Pension Liability</b>	<b>(542,742)</b>	<b>(150,450)</b>	<b>(44,146)</b>	<b>(29,343)</b>	<b>(262,970)</b>	<b>(74,425)</b>	<b>140,749</b>	<b>(944,229)</b>	<b>(802,624)</b>	<b>(62,508)</b>
<b>Total Pension Liability - Beginning</b>	<b>5,715,545</b>	<b>5,865,995</b>	<b>5,910,141</b>	<b>5,939,484</b>	<b>6,202,454</b>	<b>6,276,879</b>	<b>6,136,130</b>	<b>7,080,359</b>	<b>7,882,983</b>	<b>7,945,491</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 5,172,803</b>	<b>\$ 5,715,545</b>	<b>\$ 5,865,995</b>	<b>\$ 5,910,141</b>	<b>\$ 5,939,484</b>	<b>\$ 6,202,454</b>	<b>\$ 6,276,879</b>	<b>\$ 6,136,130</b>	<b>\$ 7,080,359</b>	<b>\$ 7,882,983</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	92,188	88,354	84,689	80,865	60,790	50,880	122,010	-	431,342	435,704
Contributions - Member	-	-	-	-	-	-	-	-	7,732	7,134
Net Investment Income	693,909	(869,599)	914,417	699,111	925,598	(162,044)	763,135	(340,441)	(258,063)	269,654
Benefit Payments	(622,603)	(629,028)	(608,803)	(589,217)	(608,276)	(600,037)	(600,862)	(552,369)	(594,250)	(611,404)
Administrative Expense	(5,815)	(5,714)	(7,589)	(8,646)	(8,140)	(10,743)	(9,784)	(5,753)	(5,650)	(4,500)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>157,679</b>	<b>(1,415,987)</b>	<b>382,714</b>	<b>182,113</b>	<b>369,972</b>	<b>(721,944)</b>	<b>274,499</b>	<b>(898,563)</b>	<b>(418,889)</b>	<b>96,588</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>4,759,450</b>	<b>6,175,437</b>	<b>5,792,723</b>	<b>5,610,610</b>	<b>5,240,638</b>	<b>5,962,582</b>	<b>5,688,083</b>	<b>6,586,646</b>	<b>7,005,535</b>	<b>6,908,947</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 4,917,129</b>	<b>\$ 4,759,450</b>	<b>\$ 6,175,437</b>	<b>\$ 5,792,723</b>	<b>\$ 5,610,610</b>	<b>\$ 5,240,638</b>	<b>\$ 5,962,582</b>	<b>\$ 5,688,083</b>	<b>\$ 6,586,646</b>	<b>\$ 7,005,535</b>
<b>Net Pension (Asset) Liability (a) - (b)</b>	<b>\$ 255,674</b>	<b>\$ 956,095</b>	<b>\$ (309,442)</b>	<b>\$ 117,418</b>	<b>\$ 328,874</b>	<b>\$ 961,816</b>	<b>\$ 314,297</b>	<b>\$ 448,047</b>	<b>\$ 493,713</b>	<b>\$ 877,448</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension (Asset) Liability</b>	95.06%	83.27%	105.28%	98.01%	94.46%	84.49%	94.99%	92.70%	93.03%	88.87%
<b>Covered Payroll</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	N/A									

\*\*As noted within Note 9, this plan was transferred to the administration of LOPFI in 2016. Therefore, all data shown above for 2016 and prior were previously reported for the plan as a Single-Employer plan. All data from 2017 onward will be reported as an Agent Multiple-Employer Plan.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Contributions – FRPF**

FY Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015**	\$ 543,933	\$ 431,342	\$ 112,591	N/A	N/A
2016**	256,940	339,581	(82,641)	N/A	N/A
2017	75,881	75,881	-	N/A	N/A
2018	12,480	12,480	-	N/A	N/A
2019	12,636	12,636	-	N/A	N/A
2020	35,832	35,832	-	N/A	N/A
2021	36,156	36,156	-	N/A	N/A
2022	36,156	36,156	-	N/A	N/A
2023	36,156	36,156	-	N/A	N/A
2024	36,156	36,156	-	N/A	N/A

**Key Assumptions for ADC:**

Cost Method	Entry Age Normal
Amortization Method	Closed
Remaining Amortization	10 Years
Asset Valuation	Market Value
Investment Rate of Return	7.25%
Retirement	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2017-2020.
Mortality	Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

\*\*As noted within *Note 9*, this plan was transferred to the administration of LOPFI in 2016. Therefore, all data shown above for 2016 and prior were previously reported for the plan as a Single-Employer plan. All data from 2017 onward will be reported as an Agent Multiple-Employer Plan.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**

**Schedule of Changes in the Utility's Net Pension Liability and Related Ratios –  
 TMRS**

Fiscal year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 465,535	\$ 463,849	\$ 420,107	\$ 431,781	\$ 408,103	\$ 381,055	\$ 363,212	\$ 358,959	\$ 351,625	\$ 341,893
Interest	1,173,118	1,131,732	1,091,842	1,006,439	984,505	956,913	891,945	869,957	871,573	849,350
Difference between actual & expected experience	74	78,538	296,908	(13,225)	(108,853)	23,346	(209,579)	(22,844)	(267,852)	(338,578)
Assumption Changes	(130,733)	-	-	-	20,628	-	-	-	55,137	-
Benefit payments	(885,741)	(818,679)	(848,635)	(694,801)	(672,531)	(753,210)	(600,972)	(655,406)	(503,086)	(548,171)
<b>Net Change in Total Pension Liability</b>	622,253	855,440	960,222	730,194	631,852	608,104	444,606	550,666	507,397	304,494
<b>Total Pension Liability - Beginning</b>	17,829,685	16,974,245	16,014,023	15,283,829	14,651,977	14,043,873	13,599,267	13,048,601	12,541,204	12,236,710
<b>Total Pension Liability - Ending (a)</b>	\$ 18,451,938	\$ 17,829,685	\$ 16,974,245	\$ 16,014,023	\$ 15,283,829	\$ 14,651,977	\$ 14,043,873	\$ 13,599,267	\$ 13,048,601	\$ 12,541,204
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 500,808	\$ 441,278	\$ 432,398	\$ 418,539	\$ 400,134	\$ 394,682	\$ 359,350	\$ 347,118	\$ 378,344	\$ 408,640
Contributions - employee	209,919	192,697	187,534	181,948	174,297	161,954	155,275	153,495	158,492	161,609
Net investment income	1,689,713	(1,179,167)	1,937,217	1,016,749	1,845,333	(370,678)	1,498,658	707,849	15,397	564,425
Benefit payments	(885,741)	(818,676)	(848,635)	(694,801)	(672,531)	(753,210)	(600,972)	(655,406)	(503,086)	(548,171)
Administrative expense	(10,757)	(10,209)	(8,965)	(6,581)	(10,428)	(7,164)	(7,766)	(7,994)	(9,378)	(5,893)
Other	(79)	3,215	61	(10,506)	(313)	(376)	(396)	(431)	(463)	(484)
<b>Net Change in Plan Fiduciary Net Position</b>	1,503,863	(1,370,862)	1,699,610	905,348	1,736,492	(574,792)	1,404,149	544,631	39,306	580,126
<b>Plan Fiduciary Net Position - Beginning</b>	14,830,371	16,201,233	14,501,623	13,596,275	11,859,783	12,434,575	11,030,426	10,485,795	10,446,489	9,866,363
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 16,334,234	\$ 14,830,371	\$ 16,201,233	\$ 14,501,623	\$ 13,596,275	\$ 11,859,783	\$ 12,434,575	\$ 11,030,426	\$ 10,485,795	\$ 10,446,489
<b>Net Pension Liability (a) - (b)</b>	\$ 2,117,704	\$ 2,999,314	\$ 773,012	\$ 1,512,400	\$ 1,687,554	\$ 2,792,194	\$ 1,609,298	\$ 2,568,841	\$ 2,562,806	\$ 2,094,715
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	88.52%	83.18%	95.45%	90.56%	88.96%	80.94%	88.54%	81.11%	80.36%	83.30%
<b>Covered Payroll</b>	\$ 3,053,349	\$ 2,763,950	\$ 2,679,051	\$ 2,596,400	\$ 2,320,661	\$ 2,234,955	\$ 2,234,955	\$ 2,192,788	\$ 2,194,045	\$ 2,308,702
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	69.36%	108.52%	28.85%	58.25%	72.72%	124.93%	72.01%	117.15%	116.81%	90.73%

Note: Information in this schedule has been determined as of the measurement date, which is September 30.

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Pension Plan**  
**Schedule of Contributions – TMRS**

FY Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 386,933	\$ 386,933	-	\$ 2,278,173	16.98%
2016	378,344	378,344	-	2,194,045	17.24%
2017	386,487	386,487	-	2,192,788	17.63%
2018	359,350	359,350	-	2,560,845	14.03%
2019	386,640	386,640	-	2,382,218	16.23%
2020	427,026	427,026	-	2,489,951	17.15%
2021	418,539	418,539	-	2,596,400	16.12%
2022	432,398	432,398	-	2,679,051	16.14%
2023	443,063	443,063	-	2,752,817	16.09%
2024	381,184	381,184	-	2,244,329	16.98%

**Key Assumptions for ADC:**

Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization	23 Years
Asset Valuation	10 Year Smoothed Market, 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to experience study of the period ended 2022.
Mortality	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Table. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent scale MP-2021 (with immediate convergence).</p> <p>Pre-retirement: Pub(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis with scale MP-2021 (with immediate convergence).</p>

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

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Other Postemployment Benefit Plan**  
**Schedule of the City's Changes In Total OPEB Liability and Related Ratios**  
**Retired Healthcare Plan**  
**Year Ended December 31, 2024**

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability - January 1	\$ 2,811,173	\$ 2,744,690	\$ 4,019,379	\$ 4,152,888	\$ 3,542,024	\$ 3,473,820	\$ 3,596,608
Service Cost	60,148	56,576	95,071	100,949	73,735	68,497	72,807
Interest	111,845	117,172	90,279	79,911	114,265	124,932	113,653
Differences between expected and actual experience	(1,236,395)	-	(828,102)	-	271,731	-	10,174
Changes of assumptions or other inputs	(31,197)	58,054	(427,825)	(87,577)	372,553	95,002	(126,052)
Benefit payments	(150,399)	(165,319)	(204,112)	(226,792)	(221,420)	(220,227)	(193,370)
Net change in total OPEB liability	(1,245,998)	66,483	(1,274,689)	(133,509)	610,864	68,204	(122,788)
Total OPEB liability - December 31	<u>\$ 1,565,175</u>	<u>\$ 2,811,173</u>	<u>\$ 2,744,690</u>	<u>\$ 4,019,379</u>	<u>\$ 4,152,888</u>	<u>\$ 3,542,024</u>	<u>\$ 3,473,820</u>
Covered-employee payroll	\$ 13,225,221	\$ 13,270,737	\$ 12,538,881	\$ 12,363,492	\$ 12,363,492	\$ 10,474,289	\$ 10,549,097
Total OPEB liability as a percentage of covered-employee payroll	11.83%	21.18%	21.89%	32.51%	33.59%	32.96%	32.93%

Notes to Schedule:

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

Changes of Assumptions: The discount rate decreased from 3.64% in 2018 to 3.26% in 2019 to 1.93% in 2020 to 2.25% in 2021 to 4.31% in 2022 to 4.00% in 2023 to 4.28% in 2024.

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

**City of Texarkana, Arkansas**  
**Required Supplementary Information**  
**Defined Benefit Other Postemployment Benefit Plan**  
**Schedule of the TWU's Changes in Total OPEB Liability and Related Ratios**  
**Sick Leave**  
**Year Ended December 31, 2024**

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 35,388	\$ 39,412	\$ 43,609	\$ 26,108	\$ 25,013	\$ 42,095	\$ 60,997
Interest	23,042	24,101	14,323	13,598	20,703	57,405	49,673
Differences between expected and actual experience	-	(1,925)	-	(2,604)	-	(11,856)	-
Changes of assumptions or other inputs	20,536	(98,392)	(73,412)	(72,486)	49,931	(841,406)	(67,822)
Benefit payments	(16,493)	(40,846)	(50,849)	(30,923)	(31,945)	(16,367)	(14,042)
Net change in total OPEB liability	62,473	(77,650)	(66,329)	(66,307)	63,702	(770,129)	28,806
Total OPEB obligation - beginning of year	422,692	500,342	566,671	632,978	569,276	1,339,405	1,310,599
Total OPEB obligation - end of year	<u>\$ 485,165</u>	<u>\$ 422,692</u>	<u>\$ 500,342</u>	<u>\$ 566,671</u>	<u>\$ 632,978</u>	<u>\$ 569,276</u>	<u>\$ 1,339,405</u>
Covered-employee payroll	\$2,619,998	\$2,784,727	\$2,732,095	\$2,319,912	\$2,402,258	\$2,016,091	\$2,560,845
Total OPEB liability as a percentage of covered-employee payroll	18.52%	15.18%	18.31%	24.43%	26.35%	28.24%	52.30%

Notes to Schedule:

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

Changes of Assumptions: The discount rate decreased from 4.18 in 2018 to 3.97% in 2019 to 2.14% in 2020 to 2.43% in 2021 to 4.77% in 2022 to 4.87% in 2023 to 4.06% in 2024.

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

## **Nonmajor Governmental Funds**

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## NONMAJOR GOVERNMENTAL FUNDS

The **Special Revenue Funds** account for resources which are designated by law or contractual agreement for particular functions or activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes, federal grant and entitlement monies, and multi-year appropriations.

**Community Development Fund (CDBG)** – Accounts for CDBG and other funds received from the U.S. Department of Housing and Urban Development. These monies are expended to provide housing or housing assistance to qualifying citizens, to improve neighborhood streets and drainage and to operate community health and recreation facilities.

**Police Fund** – This fund is established to account for private donations to the City’s Police Department and is used to purchase materials and supplies.

**Front Street Project** – This fund is established to account for private donations to the Front Street Project and is used to improve the Front Street area.

**Domestic Violence** - This fund is established to account for the revenues and expenditures of the fines and forfeitures dedicated to domestic violence prevention.

**Bail Bond** – This fund is established to account for the revenues and expenditures related to bail bond fees.

**Parks and Recreation** – This fund is established to account for revenues and expenditures related to parks and recreation activities.

**Library** – This fund is established to account for the revenues and expenditures related to the Texarkana Public Library. Funding is primarily from property taxes and grants.

**Court Automation** – This fund is established to set aside a portion of a service fee charged on installment payment of fines and is to be used to fund future court related technology as part of a statewide project with a goal of connecting all Circuit courts and District courts to an automated court system.

**North Texarkana Redevelopment District** – This fund is established to set aside property tax from the North Texarkana Redevelopment Tax Increment Financing District solely for the purpose of development within that district.

**Public Safety** – This fund is established to set aside a portion of fines and forfeitures to be used solely for the promotion of public safety.

## NONMAJOR GOVERNMENTAL FUNDS

The **Debt Service Funds** are used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**2012 Capital Improvement and Refunding Limited Tax General Obligation Bonds** – This fund is used to account for the accumulation of revenues and payment of principal and interest on the 2012 Capital Improvement and Refunding Limited Tax General Obligation Bonds. Funding is primarily from property taxes and interest earned from investments.

**2018 Franchise Fee Revenue Bonds** - This fund is used to account for the accumulation of revenues and payment of principal and interest on the 2018 Franchise Fee Secured Capital Improvement Revenue Bonds. Funding is primarily from franchise fees charged to public utilities for the privilege of using the City's streets and rights-of-way.

**2021 Franchise Fee Revenue Bonds** – This fund is used to account for the accumulation of revenues and payment of principal and interest on the 2021A and 2021B Franchise Fee Secured Refunding Revenue Bonds. Funding is primarily from franchise fees charged to public utilities for the privilege of using the City's streets and rights-of-way.

The **Capital Projects Funds** account for the acquisition or construction of major capital assets from the proceeds from general obligation bond issues and other financing sources.

**Capital Improvement Fund** – This fund is used to account for the purchase of capital assets, including infrastructure acquisitions and construction from general government resources and intergovernmental grants.

**Section 108 Loan** - This fund is used to account for the renovation of the Boys and Girls Club.

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**City of Texarkana, Arkansas**  
**Combining Balance Sheet**  
**Governmental Funds – Nonmajor**  
**December 31, 2024**

	<u>Special Revenue</u>			
	<u>Community Development Block Grant</u>	<u>Police Fund</u>	<u>Front Street Project</u>	<u>Domestic Violence</u>
<b>Assets</b>				
Cash	\$ 131,207	\$ 39,455	\$ 40,489	\$ 1,845
Receivables (net of allowance)				
Property taxes	-	-	-	-
Other government agencies	-	-	-	-
Other	-	-	-	-
Due from other funds	1,300	45	1,166	-
	<u>1,300</u>	<u>45</u>	<u>1,166</u>	<u>-</u>
Total assets	<u>\$ 132,507</u>	<u>\$ 39,500</u>	<u>\$ 41,655</u>	<u>\$ 1,845</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 71	\$ -
Due to other funds	159,102	22,705	-	-
Due to other governments	-	-	-	-
Due to component units	397	-	-	-
	<u>397</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>159,499</u>	<u>22,705</u>	<u>71</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>				
Restricted				
Police department	-	16,795	-	1,845
Public works	-	-	-	-
Cultural and recreation	-	-	41,584	-
Unassigned	(26,992)	-	-	-
	<u>(26,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(26,992)</u>	<u>16,795</u>	<u>41,584</u>	<u>1,845</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 132,507</u>	<u>\$ 39,500</u>	<u>\$ 41,655</u>	<u>\$ 1,845</u>

**Special Revenue**

<b>Bail Bond</b>	<b>Parks and Recreation</b>	<b>Library</b>	<b>Court Automation</b>	<b>North Texarkana Redevelopment District</b>	<b>Public Safety</b>	<b>Total</b>
\$ 4,848	\$ 24,103	\$ 392,608	\$ 38,252	\$ 1,346,144	\$ 5,923	\$ 2,024,874
-	-	561,726	-	120,835	-	682,561
-	-	-	-	-	-	-
-	7	-	-	-	-	7
-	396	10	168	-	-	3,085
<u>\$ 4,848</u>	<u>\$ 24,506</u>	<u>\$ 954,344</u>	<u>\$ 38,420</u>	<u>\$ 1,466,979</u>	<u>\$ 5,923</u>	<u>\$ 2,710,527</u>
\$ -	\$ 3,935	\$ 389,251	\$ -	\$ -	\$ -	\$ 393,257
-	93,356	-	-	57	-	275,220
-	-	-	-	7	-	7
-	7,158	46,161	-	-	-	53,716
-	104,449	435,412	-	64	-	722,200
-	-	513,107	-	119,911	-	633,018
-	-	513,107	-	119,911	-	633,018
4,848	-	-	38,420	-	5,923	67,831
-	-	-	-	1,347,004	-	1,347,004
-	-	5,825	-	-	-	47,409
-	(79,943)	-	-	-	-	(106,935)
<u>4,848</u>	<u>(79,943)</u>	<u>5,825</u>	<u>38,420</u>	<u>1,347,004</u>	<u>5,923</u>	<u>1,355,309</u>
<u>\$ 4,848</u>	<u>\$ 24,506</u>	<u>\$ 954,344</u>	<u>\$ 38,420</u>	<u>\$ 1,466,979</u>	<u>\$ 5,923</u>	<u>\$ 2,710,527</u>

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

	Debt Service			Total
	2012 Cap Imp & Refunding Limited Tax GO Bonds	2018 Franchise Fee Revenue Bonds	2021 Franchise Fee Revenue Bonds	
<b>Assets</b>				
Cash	\$ 120,326	\$ -	\$ -	\$ 120,326
Investments	1,137,377	261,438	741,111	2,139,926
Receivables (net of allowance)				
Property taxes	1,404,315	-	-	1,404,315
Other government agencies	-	-	-	-
Other	-	-	-	-
Due from other funds	24	-	-	24
	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>
Total assets	<u>\$ 2,662,042</u>	<u>\$ 261,438</u>	<u>\$ 741,111</u>	<u>\$ 3,664,591</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Due to component units	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	1,282,769	-	-	1,282,769
	<u>1,282,769</u>	<u>-</u>	<u>-</u>	<u>1,282,769</u>
Total deferred inflows of resources	<u>1,282,769</u>	<u>-</u>	<u>-</u>	<u>1,282,769</u>
<b>Fund Balances</b>				
Restricted				
Police department	-	-	-	-
Fire department	-	-	-	-
Public works	-	-	-	-
Debt service	1,379,273	261,438	741,111	2,381,822
Culture and recreation	-	-	-	-
Assigned				
Police department	-	-	-	-
Public works	-	-	-	-
Unassigned				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,379,273</u>	<u>261,438</u>	<u>741,111</u>	<u>2,381,822</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,662,042</u>	<u>\$ 261,438</u>	<u>\$ 741,111</u>	<u>\$ 3,664,591</u>

**Capital Projects Funds**

<b>Capital Improvement Fund</b>	<b>Section 108 Loan</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 601,234	\$ 2,000	\$ 603,234	\$ 2,748,434
-	-	-	2,139,926
-	-	-	2,086,876
15,808	-	15,808	15,808
-	-	-	7
-	-	-	3,109
<u>\$ 617,042</u>	<u>\$ 2,000</u>	<u>\$ 619,042</u>	<u>\$ 6,994,160</u>
\$ 5,832	\$ -	\$ 5,832	\$ 399,089
24,636	2,000	26,636	301,856
-	-	-	7
-	-	-	53,716
<u>30,468</u>	<u>2,000</u>	<u>32,468</u>	<u>754,668</u>
-	-	-	1,915,787
-	-	-	1,915,787
-	-	-	67,831
124,341	-	124,341	124,341
-	-	-	1,347,004
-	-	-	2,381,822
-	-	-	47,409
105,324	-	105,324	105,324
356,909	-	356,909	356,909
-	-	-	(106,935)
<u>586,574</u>	<u>-</u>	<u>586,574</u>	<u>4,323,705</u>
<u>\$ 617,042</u>	<u>\$ 2,000</u>	<u>\$ 619,042</u>	<u>\$ 6,994,160</u>

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

	<u>Special Revenue</u>			
	<u>Community Development Block Grant</u>	<u>Police Fund</u>	<u>Front Street Project</u>	<u>Domestic Violence</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	3,753
Charges for services	-	-	-	-
Grants and entitlements	482,382	9,261	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	19,604	-	-
Total revenues	<u>482,382</u>	<u>28,865</u>	<u>-</u>	<u>3,753</u>
<b>Expenditures</b>				
Current				
General government	54,577	-	-	-
Other public safety	-	3,087	-	2,700
Public works	93,153	-	-	-
Public services	93,265	-	-	-
Cultural and recreation	-	-	2,645	-
Capital outlay	228,262	5,557	-	-
Debt service				
Principal retirement	36,000	-	-	-
Interest and fiscal charges	10,741	-	-	-
Total expenditures	<u>515,998</u>	<u>8,644</u>	<u>2,645</u>	<u>2,700</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(33,616)</u>	<u>20,221</u>	<u>(2,645)</u>	<u>1,053</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(3,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(33,616)	17,221	(2,645)	1,053
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>6,624</u>	<u>(426)</u>	<u>44,229</u>	<u>792</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ (26,992)</u>	<u>\$ 16,795</u>	<u>\$ 41,584</u>	<u>\$ 1,845</u>

**Special Revenue**

<b>Bail Bond</b>	<b>Parks and Recreation</b>	<b>Library</b>	<b>Court Automation</b>	<b>North Texarkana Redevelopment District</b>	<b>Public Safety</b>	<b>Total</b>
\$ -	\$ -	\$ 453,032	\$ -	\$ 96,299	\$ -	\$ 549,331
8,497	-	-	-	-	448	12,698
-	-	-	27,130	-	-	27,130
-	-	37,022	-	-	-	528,665
-	173,024	-	-	-	-	173,024
-	70	76	228	3	-	377
-	62,045	-	-	-	-	81,649
<u>8,497</u>	<u>235,139</u>	<u>490,130</u>	<u>27,358</u>	<u>96,302</u>	<u>448</u>	<u>1,372,874</u>
-	-	-	1,773	-	-	56,350
-	-	-	-	-	-	5,787
-	-	-	-	-	-	93,153
-	-	-	-	-	-	93,265
4,000	644,220	500,847	-	-	-	1,151,712
-	-	-	-	-	-	233,819
-	-	-	-	-	-	36,000
-	-	-	-	-	-	10,741
<u>4,000</u>	<u>644,220</u>	<u>500,847</u>	<u>1,773</u>	<u>-</u>	<u>-</u>	<u>1,680,827</u>
<u>4,497</u>	<u>(409,081)</u>	<u>(10,717)</u>	<u>25,585</u>	<u>96,302</u>	<u>448</u>	<u>(307,953)</u>
-	379,344	10,000	-	-	-	389,344
-	-	-	-	-	-	(3,000)
-	<u>379,344</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,344</u>
4,497	(29,737)	(717)	25,585	96,302	448	78,391
351	(50,206)	6,542	12,835	1,250,702	5,475	1,276,918
<u>\$ 4,848</u>	<u>\$ (79,943)</u>	<u>\$ 5,825</u>	<u>\$ 38,420</u>	<u>\$ 1,347,004</u>	<u>\$ 5,923</u>	<u>\$ 1,355,309</u>

**City of Texarkana, Arkansas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds – Nonmajor (Continued)**  
**Year Ended December 31, 2024**

	Debt Service			Total
	2012 Cap Imp & Refunding Limited Tax GO Bonds	2018 Franchise Fee Revenue Bonds	2021 Franchise Fee Revenue Bonds	
<b>Revenues</b>				
Property taxes	\$ 1,132,589	\$ -	\$ -	\$ 1,132,589
Fines, forfeitures and penalties	-	-	-	-
Charges for services	-	-	-	-
Grants and entitlements	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	67	9,947	39,113	49,127
Miscellaneous	-	-	-	-
Total revenues	<u>1,132,656</u>	<u>9,947</u>	<u>39,113</u>	<u>1,181,716</u>
<b>Expenditures</b>				
Current				
General government				-
Other public safety	-	-	6,713	6,713
Public works	-	-	-	-
Public services	-	-	-	-
Cultural and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	940,000	155,000	575,000	1,670,000
Interest and fiscal charges	165,110	50,193	202,038	417,341
Total expenditures	<u>1,105,110</u>	<u>205,193</u>	<u>783,751</u>	<u>2,094,054</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>27,546</u>	<u>(195,246)</u>	<u>(744,638)</u>	<u>(912,338)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	205,011	790,338	995,349
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>205,011</u>	<u>790,338</u>	<u>995,349</u>
<b>Net Change in Fund Balances</b>	27,546	9,765	45,700	83,011
<b>Fund Balances, Beginning of Year</b>	<u>1,351,727</u>	<u>251,673</u>	<u>695,411</u>	<u>2,298,811</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,379,273</u>	<u>\$ 261,438</u>	<u>\$ 741,111</u>	<u>\$ 2,381,822</u>

**Capital Projects Funds**

<b>Capital Improvement Fund</b>	<b>Section 108 Loan</b>	<b>Total</b>	<b>Total Nonmajor Governmental Fund</b>
\$ -	\$ -	\$ -	\$ 1,681,920
-	-	-	12,698
-	-	-	27,130
131,685	-	131,685	660,350
-	-	-	173,024
285	-	285	49,789
(5,407)	-	(5,407)	76,242
<u>126,563</u>	<u>-</u>	<u>126,563</u>	<u>2,681,153</u>
			56,350
64,620	-	64,620	77,120
-	-	-	93,153
-	-	-	93,265
-	-	-	1,151,712
4,386	-	4,386	238,205
-	-	-	1,706,000
-	-	-	428,082
<u>69,006</u>	<u>-</u>	<u>69,006</u>	<u>3,843,887</u>
<u>57,557</u>	<u>-</u>	<u>57,557</u>	<u>(1,162,734)</u>
-	-	-	1,384,693
(15,000)	-	(15,000)	(18,000)
<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>	<u>1,366,693</u>
42,557	-	42,557	203,959
<u>544,017</u>	<u>-</u>	<u>544,017</u>	<u>4,119,746</u>
<u>\$ 586,574</u>	<u>\$ -</u>	<u>\$ 586,574</u>	<u>\$ 4,323,705</u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant Fund**  
**Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Grants and entitlements	\$ 633,757	\$ 169,721	\$ 482,382	\$ 312,661
Miscellaneous	-	7,808	-	(7,808)
	<u>633,757</u>	<u>177,529</u>	<u>482,382</u>	<u>304,853</u>
<b>Expenditures</b>				
Current:				
General government	60,000	62,000	54,577	7,423
Public works	88,922	82,000	93,153	(11,153)
Public services	484,835	360,000	93,265	266,735
Capital outlay	-	-	228,262	(228,262)
Debt service				
Principal retirement	-	-	36,000	(36,000)
Interest and fiscal charges	-	-	10,741	(10,741)
	<u>633,757</u>	<u>504,000</u>	<u>515,998</u>	<u>(11,998)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(326,471)</u>	<u>(33,616)</u>	<u>292,855</u>
<b>Net Change in Fund Balances</b>	-	(326,471)	(33,616)	292,855
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>6,624</u>	<u>6,624</u>	<u>6,624</u>	<u>-</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ 6,624</u>	<u>\$ (319,847)</u>	<u>\$ (26,992)</u>	<u>\$ 292,855</u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Police Fund**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Grants and entitlements	\$ -	\$ 8,643	\$ 9,261	\$ 618
Miscellaneous	10,100	19,100	19,604	504
<b>Total revenues</b>	<u>10,100</u>	<u>27,743</u>	<u>28,865</u>	<u>1,122</u>
<b>Expenditures</b>				
Current:				
Other public safety	1,700	8,643	3,087	5,556
Capital outlay	-	-	5,557	
<b>Total expenditures</b>	<u>1,700</u>	<u>8,643</u>	<u>8,644</u>	<u>5,556</u>
<b>Excess of Revenues Over Expenditures</b>	<u>8,400</u>	<u>19,100</u>	<u>20,221</u>	<u>6,678</u>
<b>Other Financing Uses</b>				
Transfers out	(6,391)	(6,391)	(3,000)	3,391
<b>Total other financing uses</b>	<u>(6,391)</u>	<u>(6,391)</u>	<u>(3,000)</u>	<u>3,391</u>
<b>Net Change in Fund Balances</b>	2,009	12,709	17,221	10,069
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>(426)</u>	<u>(426)</u>	<u>(426)</u>	<u>-</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ 1,583</u>	<u>\$ 12,283</u>	<u>\$ 16,795</u>	<u>\$ 10,069</u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Domestic Violence Fund**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 3,110	\$ 3,900	\$ 3,753	\$ (147)
Total revenues	<u>3,110</u>	<u>3,900</u>	<u>3,753</u>	<u>(147)</u>
<b>Expenditures</b>				
Current:				
Other public safety	<u>3,387</u>	<u>3,887</u>	<u>2,700</u>	<u>1,187</u>
Total expenditures	<u>3,387</u>	<u>3,887</u>	<u>2,700</u>	<u>1,187</u>
<b>Net Change in Fund Balances</b>	(277)	13	1,053	1,040
<b>Fund Balances, Beginning of Year</b>	<u>792</u>	<u>792</u>	<u>792</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 515</u></u>	<u><u>\$ 805</u></u>	<u><u>\$ 1,845</u></u>	<u><u>\$ 1,040</u></u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Front Street Project Fund**  
**Year Ended December 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures</b>				
Current:				
Cultural and recreation	11,042	12,081	2,645	9,436
Total expenditures	11,042	12,081	2,645	9,436
<b>Net Change in Fund Balances</b>	(11,042)	(12,081)	(2,645)	9,436
<b>Fund Balances, Beginning of Year</b>	44,229	44,229	44,229	-
<b>Fund Balances, End of Year</b>	<u>\$ 33,187</u>	<u>\$ 32,148</u>	<u>\$ 41,584</u>	<u>\$ 9,436</u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Bail Bond Fund**  
**Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 5,300	\$ 8,500	\$ 8,497	\$ (3)
Total revenues	<u>5,300</u>	<u>8,500</u>	<u>8,497</u>	<u>(3)</u>
<b>Expenditures</b>				
Current:				
Other public safety	<u>5,581</u>	<u>5,581</u>	<u>4,000</u>	<u>1,581</u>
Total expenditures	<u>5,581</u>	<u>5,581</u>	<u>4,000</u>	<u>1,581</u>
<b>Net Change in Fund Balances</b>	(281)	2,919	4,497	1,578
<b>Fund Balances, Beginning of Year</b>	<u>351</u>	<u>351</u>	<u>351</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 70</u></u>	<u><u>\$ 3,270</u></u>	<u><u>\$ 4,848</u></u>	<u><u>\$ 1,578</u></u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Parks and Recreation Fund**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 5,900	\$ 6,050	\$ 173,024	\$ 166,974
Investment income	-	-	70	70
Miscellaneous	50,675	50,525	62,045	11,520
<b>Total revenues</b>	<b>56,575</b>	<b>56,575</b>	<b>235,139</b>	<b>178,564</b>
<b>Expenditures</b>				
Current:				
Cultural and recreation	815,263	815,263	644,220	171,043
Capital outlay	12,000	12,000	-	-
<b>Total expenditures</b>	<b>827,263</b>	<b>827,263</b>	<b>644,220</b>	<b>171,043</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(770,688)</b>	<b>(770,688)</b>	<b>(409,081)</b>	<b>349,607</b>
<b>Other Financing Sources</b>				
Transfers in	940,721	940,721	379,344	(561,377)
<b>Total other financing sources</b>	<b>940,721</b>	<b>940,721</b>	<b>379,344</b>	<b>(561,377)</b>
<b>Net Change in Fund Balances</b>	<b>170,033</b>	<b>170,033</b>	<b>(29,737)</b>	<b>(211,770)</b>
<b>Fund Balances, Beginning of Year</b>	<b>(50,206)</b>	<b>(50,206)</b>	<b>(50,206)</b>	<b>-</b>
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 119,827</b>	<b>\$ 119,827</b>	<b>\$ (79,943)</b>	<b>\$ (211,770)</b>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Court Automation Fund**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 17,000	\$ 27,000	\$ 27,130	\$ 130
Investment income	20	200	228	28
	<u>17,020</u>	<u>27,200</u>	<u>27,358</u>	<u>158</u>
Total revenues				
<b>Expenditures</b>				
Current:				
General government	-	3,500	1,773	1,727
	<u>-</u>	<u>3,500</u>	<u>1,773</u>	<u>1,727</u>
Total expenditures				
<b>Net Change in Fund Balances</b>	17,020	23,700	25,585	1,885
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>12,835</u>	<u>12,835</u>	<u>12,835</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 29,855</u>	<u>\$ 36,535</u>	<u>\$ 38,420</u>	<u>\$ 1,885</u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**North Texarkana Redevelopment District**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 111,250	\$ 91,000	\$ 96,299	\$ 5,299
Investment income	5	3	3	-
	<u>111,255</u>	<u>91,003</u>	<u>96,302</u>	<u>5,299</u>
Total revenues				
	111,255	91,003	96,302	5,299
<b>Net Change in Fund Balances</b>	111,255	91,003	96,302	5,299
<b>Fund Balances, Beginning of Year</b>	<u>1,250,702</u>	<u>1,250,702</u>	<u>1,250,702</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,361,957</u></u>	<u><u>\$ 1,341,705</u></u>	<u><u>\$ 1,347,004</u></u>	<u><u>\$ 5,299</u></u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Library Fund**  
**Year Ended December 31, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 393,500	\$ 445,000	\$ 453,032	\$ 8,032
Grants and entitlements	74,230	74,000	37,022	(36,978)
Investment income	50	40	76	36
	<u>467,780</u>	<u>519,040</u>	<u>490,130</u>	<u>(28,910)</u>
<b>Expenditures</b>				
Current:				
Cultural and recreation	477,780	477,780	500,847	(23,067)
	<u>477,780</u>	<u>477,780</u>	<u>500,847</u>	<u>(23,067)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	<u>(10,000)</u>	<u>41,260</u>	<u>(10,717)</u>	<u>(51,977)</u>
<b>Other Financing Sources</b>				
Transfers in	10,000	10,000	10,000	-
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>				
	-	51,260	(717)	(51,977)
<b>Fund Balances, Beginning of Year</b>				
	<u>6,542</u>	<u>6,542</u>	<u>6,542</u>	<u>-</u>
<b>Fund Balances, End of Year</b>				
	<u>\$ 6,542</u>	<u>\$ 57,802</u>	<u>\$ 5,825</u>	<u>\$ (51,977)</u>

**City of Texarkana, Arkansas**  
**Budgetary Comparison Schedule**  
**Public Safety Fund**  
**Year Ended December 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 237	\$ 450	\$ 448	\$ (2)
Total revenues	<u>237</u>	<u>450</u>	<u>448</u>	<u>(2)</u>
<b>Expenditures</b>				
Current:				
Other public safety	<u>3,723</u>	<u>3,723</u>	<u>-</u>	<u>3,723</u>
Total expenditures	<u>3,723</u>	<u>3,723</u>	<u>-</u>	<u>3,723</u>
<b>Net Change in Fund Balances</b>	(3,486)	(3,273)	448	3,721
<b>Fund Balances, Beginning of Year</b>	<u>5,475</u>	<u>5,475</u>	<u>5,475</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,989</u></u>	<u><u>\$ 2,202</u></u>	<u><u>\$ 5,923</u></u>	<u><u>\$ 3,721</u></u>

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## **Nonmajor Enterprise Funds**

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## NONMAJOR ENTERPRISE FUNDS

The **Texarkana, Arkansas Union Water Utilities Fund** accounts for the water and sewer services provided by the Union Water Utilities.

The **Texarkana, Arkansas Mandeville Water Utilities Funds** accounts for the water and sewer services provided by the Mandeville Water Utilities

**City of Texarkana, Arkansas**  
**Combining Statement of Net Position**  
**Enterprise Funds – Nonmajor**  
**December 31, 2024**

	<b>Union Utilities</b>	<b>Mandeville Utilities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash	\$ 531,264	\$ 230,234	\$ 761,498
Investments	44,003	-	44,003
Receivables:			
Accounts (net of allowance for uncollectible)	93,608	39,935	133,543
Accrued interest	1	-	1
Due from other funds	1,940	-	1,940
Due from other governments	4,952	3,565	8,517
Prepaid items	1,147	286	1,433
Total current assets	<u>676,915</u>	<u>274,020</u>	<u>950,935</u>
<b>Noncurrent assets</b>			
Restricted assets			
Cash	56,718	11,639	68,357
Investments	102,674	-	102,674
Receivables			
Interest	2	-	2
Total restricted assets	<u>159,394</u>	<u>11,639</u>	<u>171,033</u>
Capital assets (net of accumulated depreciation)			
Land	13,750	1,697	15,447
Buildings	1,069	312	1,381
Improvements other than buildings	1,450,615	148,450	1,599,065
Machinery and equipment	29,177	8,026	37,203
Construction in progress	134,545	129,528	264,073
Net capital assets	<u>1,629,156</u>	<u>288,013</u>	<u>1,917,169</u>
Total noncurrent assets	<u>1,788,550</u>	<u>299,652</u>	<u>2,088,202</u>
Total assets	<u>2,465,465</u>	<u>573,672</u>	<u>3,039,137</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pension	13,615	3,057	16,672
Deferred outflows - pension contributions	-	-	-
Total deferred outflows of resources	<u>13,615</u>	<u>3,057</u>	<u>16,672</u>

**City of Texarkana, Arkansas**  
**Combining Statement of Net Position (Continued)**  
**Enterprise Funds – Nonmajor**  
**December 31, 2024**

	<b>Union Utilities</b>	<b>Mandeville Utilities</b>	<b>Total</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,144	\$ 359	\$ 1,503
Accrued liabilities	7,647	227	7,874
Accrued interest payable	2,489	511	3,000
Due to other funds	14,400	4,194	18,594
Due to other governments	19,384	8,148	27,532
Other payables	70,975	123,899	194,874
Bonds payable - current portion	110,477	22,670	133,147
Total current liabilities	<u>226,516</u>	<u>160,008</u>	<u>386,524</u>
<b>Noncurrent liabilities</b>			
Customer deposits	27,593	7,362	34,955
Capital improvement deposits	16,868	873	17,741
Net pension and total OPEB liability	25,703	14,883	40,586
Revenue bonds	60,088	12,330	72,418
Total noncurrent liabilities	<u>130,252</u>	<u>35,448</u>	<u>165,700</u>
Total liabilities	<u>356,768</u>	<u>195,456</u>	<u>552,224</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pension	1,448	372	1,820
Total deferred inflows of resources	<u>1,448</u>	<u>372</u>	<u>1,820</u>
<b>Net Position</b>			
Net investment in capital assets	1,617,983	264,652	1,882,635
Unrestricted	502,881	116,249	619,130
Total net position	<u>\$ 2,120,864</u>	<u>\$ 380,901</u>	<u>\$ 2,501,765</u>

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**City of Texarkana, Arkansas**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Enterprise Funds – Nonmajor**  
**Year Ended December 31, 2024**

	<b>Union Utilities</b>	<b>Mandeville Utilities</b>	<b>Total</b>
<b>Operating Revenues</b>			
Water sales	\$ 696,814	\$ 176,472	\$ 873,286
Water connection fees	1,350	225	1,575
Penalties and service charges	23,844	6,872	30,716
Other income	6,231	1,945	8,176
Total operating revenues	<u>728,239</u>	<u>185,514</u>	<u>913,753</u>
<b>Operating Expenses</b>			
Finance	7,220	1,760	8,980
Customer service	49,724	12,532	62,256
Water production	140,810	34,389	175,199
Waster distribution	20,826	10,854	31,680
Sewer collection	756	405	1,161
Engineer design	776	67	843
Field service	39,065	4,364	43,429
Construction oversight	11,204	5,341	16,545
Depreciation	110,578	12,450	123,028
Other expenses	638	7,352	7,990
Total operating expenses	<u>381,597</u>	<u>89,514</u>	<u>471,111</u>
<b>Operating Income</b>	<u>346,642</u>	<u>96,000</u>	<u>442,642</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income - investments	1,246	150	1,396
Interest expense and paying agent fees	<u>(7,738)</u>	<u>(1,418)</u>	<u>(9,156)</u>
Total nonoperating revenues (expenses)	<u>(6,492)</u>	<u>(1,268)</u>	<u>(7,760)</u>
<b>Changes in Net Position</b>	340,150	94,732	434,882
<b>Net Position, Beginning of Year</b>	<u>1,780,714</u>	<u>286,169</u>	<u>2,066,883</u>
<b>Net Position, End of Year</b>	<u>\$ 2,120,864</u>	<u>\$ 380,901</u>	<u>\$ 2,501,765</u>

**City of Texarkana, Arkansas**  
**Combining Statement of Cash Flows**  
**Enterprise Funds – Nonmajor**  
**Year Ended December 31, 2024**

	<b>Union Utilities</b>	<b>Mandeville Utilities</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 704,697	\$ 174,283	\$ 878,980
Cash paid to suppliers	(194,619)	54,537	(140,082)
Cash paid to employees	(56,728)	(12,104)	(68,832)
	<u>453,350</u>	<u>216,716</u>	<u>670,066</u>
<b>Net cash provided by operating activities</b>			
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(185,642)	(126,946)	(312,588)
Principal paid on bonds	(238,406)	(31,135)	(269,541)
Interest paid on bonds	(11,341)	(1,893)	(13,234)
Capital improvement deposits returned	23,039	6,228	29,267
	<u>(412,350)</u>	<u>(153,746)</u>	<u>(566,096)</u>
<b>Net cash used for capital and related financing activities</b>			
<b>Cash Flows From Investing Activities</b>			
Purchase of investments	(146,685)	-	(146,685)
Proceeds from sale and maturities of investments	146,673	-	146,673
Interest received on investments	1,244	150	1,394
	<u>1,232</u>	<u>150</u>	<u>1,382</u>
<b>Net cash provided by investing activities</b>			
<b>Increase in Cash</b>	42,232	63,120	105,352
<b>Cash, Beginning of Year</b>	<u>545,750</u>	<u>178,753</u>	<u>724,503</u>
<b>Cash, End of Year</b>	<u>\$ 587,982</u>	<u>\$ 241,873</u>	<u>\$ 829,855</u>
<b>Cash, as Presented, on the "Combining Statement of Net Position" is as follows:</b>			
Cash	\$ 531,264	\$ 230,234	\$ 761,498
Restricted cash	56,718	11,639	68,357
	<u>\$ 587,982</u>	<u>\$ 241,873</u>	<u>\$ 829,855</u>

**City of Texarkana, Arkansas**  
**Combining Statement of Cash Flows (Continued)**  
**Enterprise Funds – Nonmajor**  
**Year Ended December 31, 2024**

	<b>Union Utilities</b>	<b>Mandeville Utilities</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 346,642	\$ 96,000	\$ 442,642
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	110,578	12,450	123,028
(Increase) decrease in assets:			
Accounts receivable	(22,168)	(10,772)	(32,940)
Due from other governments	-	(69)	(69)
Due from other funds	(3,574)	(1,071)	(4,645)
Prepaid expenses	(44)	(10)	(54)
Increase in deferred outflows	11,306	5,071	16,377
Increase (decrease) in liabilities:			
Accounts payable	(169)	(20)	(189)
Accrued liabilities	(40,781)	22	(40,759)
Due to other funds	7,422	35	7,457
Customer deposits	(1,374)	(390)	(1,764)
Net pension and total other postemployment benefits liabilities	(12,313)	(3,201)	(15,514)
Other payables	56,602	118,353	174,955
Decrease in deferred inflows	1,223	318	1,541
	<u>1,223</u>	<u>318</u>	<u>1,541</u>
Net cash provided by operating activities	<u>\$ 453,350</u>	<u>\$ 216,716</u>	<u>\$ 670,066</u>

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## **Fiduciary Funds**

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## **FIDUCIARY FUNDS**

### **TRUST FUNDS**

**Trust Funds** account for assets held in the City Employee Retirement System, Water Utilities Employee Retirement System, and the Policemen's Relief and Pension Fund. Fund trustees must act in accordance with the specific purposes and terms of these retirement plans.

### **CUSTODIAL FUNDS**

The **Custodial Funds** account for monies collected and held by the courts until they are disbursed to various governmental agencies and include the police bond and drug seizure funds and monies collected for the Airshow.

**City of Texarkana, Arkansas**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**December 31, 2024**

	City Employee Retirement System	Water Utilities Employee Retirement System	Policemen's Relief and Pension	Total
<b>Assets</b>				
Cash and cash equivalents	160,004	77,245	560,903	\$ 798,152
Investments				
U. S. government obligations	444,368	304,990	412,637	1,161,995
Mortgage backed securities	-	348,058	-	348,058
Corporate bonds and notes	29,742	790,101	150,248	970,091
Mutual funds and other investments	1,711,331	1,595,839	3,957,030	7,264,200
Receivables	112,987	11,255	27,696	151,938
Due from other funds	-	-	576,162	576,162
	<u>2,458,432</u>	<u>3,127,488</u>	<u>5,684,676</u>	<u>11,270,596</u>
Total assets				
	<u>2,458,432</u>	<u>3,127,488</u>	<u>5,684,676</u>	<u>11,270,596</u>
<b>Liabilities</b>				
Accounts payable	21,052	2,315	17,659	41,026
	<u>21,052</u>	<u>2,315</u>	<u>17,659</u>	<u>41,026</u>
Total liabilities				
	<u>21,052</u>	<u>2,315</u>	<u>17,659</u>	<u>41,026</u>
<b>Net Position</b>				
Net position restricted for pensions	<u>\$ 2,437,380</u>	<u>\$ 3,125,173</u>	<u>\$ 5,667,017</u>	<u>\$ 11,229,570</u>

**City of Texarkana, Arkansas**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**Year Ended December 31, 2024**

	City Employee Retirement System	Water Utilities Employee Retirement System	Policemen's Relief and Pension	Total
<b>Additions</b>				
Contributions				
Employer	\$ 317,345	\$ -	\$ 738,201	\$ 1,055,546
Employee	9,469	-	-	9,469
Intergovernmental	-	-	362,022	362,022
Other	406	-	41,063	41,469
Total contributions	<u>327,220</u>	<u>-</u>	<u>1,141,286</u>	<u>1,468,506</u>
Investment income				
Net increase in fair value of investments	201,358	258,094	37,801	497,253
Interest and dividends	162,950	-	30,532	193,482
	<u>364,308</u>	<u>258,094</u>	<u>68,333</u>	<u>690,735</u>
Less investment expense	-	-	25,634	25,634
Net investment income	<u>364,308</u>	<u>258,094</u>	<u>42,699</u>	<u>665,101</u>
Total additions	<u>691,528</u>	<u>258,094</u>	<u>1,183,985</u>	<u>2,133,607</u>
<b>Deductions</b>				
Benefits paid directly to participants	444,925	25,149	1,018,813	1,488,887
Administrative expenses	10,976	4,170	-	15,146
Total deductions	<u>455,901</u>	<u>29,319</u>	<u>1,018,813</u>	<u>1,504,033</u>
<b>Net Increase in Net Position</b>	235,627	228,775	165,172	629,574
<b>Net Position Restricted for Pensions, Beginning of Year</b>	<u>2,201,753</u>	<u>2,896,398</u>	<u>5,501,845</u>	<u>10,599,996</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<u>\$ 2,437,380</u>	<u>\$ 3,125,173</u>	<u>\$ 5,667,017</u>	<u>\$ 11,229,570</u>

**City of Texarkana, Arkansas**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**December 31, 2024**

	<u>Police Bond Fund</u>	<u>Drug Seizure Fund</u>	<u>Airshow Fund</u>	<u>Total Custodial Funds</u>
<b>Assets</b>				
Cash and cash equivalents	261,426	9	80,000	\$ 341,435
Interest receivable	3,656	-		3,656
	<u>265,082</u>	<u>9</u>	<u>80,000</u>	<u>\$ 345,091</u>
<b>Total assets</b>	<b>\$ 265,082</b>	<b>\$ 9</b>	<b>\$ 80,000</b>	<b>\$ 345,091</b>
<b>Net Position Restricted for other governments</b>	<b>\$ 265,082</b>	<b>\$ 9</b>	<b>\$ 80,000</b>	<b>\$ 345,091</b>

**City of Texarkana, Arkansas**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**Year Ended December 31, 2024**

	<u>Police Bond Fund</u>	<u>Drug Seizure Fund</u>	<u>Airshow Fund</u>	<u>Total Custodial Funds</u>
<b>Additions</b>				
Receipt of police bond funds	\$ 2,870,535	\$ -	\$ -	\$ 2,870,535
Donations	-	-	80,000	80,000
Interest and dividends	2,482	-	-	2,482
Total additions	<u>2,873,017</u>	<u>-</u>	<u>80,000</u>	<u>2,953,017</u>
<b>Deductions</b>				
Return of police bond funds	<u>2,834,340</u>	<u>-</u>	<u>-</u>	<u>2,834,340</u>
Total Deductions	<u>2,834,340</u>	<u>-</u>	<u>-</u>	<u>2,834,340</u>
<b>Change in Net Position</b>	38,677	-	80,000	118,677
<b>Net Position, Beginning of Year</b>	<u>226,405</u>	<u>9</u>	<u>-</u>	<u>226,414</u>
<b>Net Position, End of Year</b>	<u>\$ 265,082</u>	<u>\$ 9</u>	<u>\$ 80,000</u>	<u>\$ 345,091</u>

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## **Statistical Section**

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# City of Texarkana, Arkansas

## Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends (Tables 1-5)</b>	
These schedules contain trend information to assist the reader in understanding how the City’s financial performance and well-being have changed over time. ....	192
<b>Revenue Capacity (Tables 6-11)</b>	
These schedules contain information to help the reader assess the City’s most significant revenue sources, local sales taxes and property taxes. ....	199
<b>Debt Capacity (Tables 12-16)</b>	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. ....	206
<b>Demographic and Economic Information (Tables 17-18)</b>	
These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City’s financial activities take place. ....	211
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These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to services the City provides and the activities it performs. ....	213

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

**Table 1**

	<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Net investment in capital assets	\$ 13,418,445	\$ 12,228,378	\$ 12,173,375	\$ 12,149,281	\$ 11,887,149	\$ 11,573,523	\$ 16,852,481	\$ 17,630,352	\$ 21,914,550	\$ 24,836,305
Restricted	1,838,537	2,948,305	3,085,466	3,575,927	3,778,615	5,021,170	4,444,937	5,280,024	3,641,478	3,810,777
Unrestricted (deficit)	<u>(2,521,327)</u>	<u>(2,174,520)</u>	<u>135,812</u>	<u>(4,185,767)</u>	<u>(4,829,476)</u>	<u>(5,576,380)</u>	<u>(5,994,265)</u>	<u>2,558,406</u>	<u>7,498,149</u>	<u>23,418,709</u>
Total governmental activities net position	<u>12,735,655</u>	<u>13,002,163</u>	<u>15,394,653</u>	<u>11,539,441</u>	<u>10,836,288</u>	<u>11,018,313</u>	<u>15,303,153</u>	<u>25,468,782</u>	<u>33,054,177</u>	<u>52,065,791</u>
Business-type activities:										
Net investment in capital assets	29,689,707	32,066,618	32,849,130	33,457,909	34,951,626	35,033,478	34,298,104	34,862,939	34,933,360	43,129,273
Restricted	6,617,438	5,271,993	5,259,198	5,027,526	1,805,922	2,035,558	2,575,810	2,088,456	2,224,925	2,475,546
Unrestricted	<u>6,107,274</u>	<u>5,867,366</u>	<u>5,543,209</u>	<u>4,150,856</u>	<u>5,102,543</u>	<u>3,943,000</u>	<u>3,931,840</u>	<u>2,906,389</u>	<u>1,799,083</u>	<u>1,247,133</u>
Total business-type activities net position	<u>42,414,419</u>	<u>43,205,977</u>	<u>43,651,537</u>	<u>42,636,291</u>	<u>41,860,091</u>	<u>41,012,036</u>	<u>40,805,754</u>	<u>39,857,784</u>	<u>38,957,368</u>	<u>46,851,952</u>
Primary government										
Net investment in capital assets	43,108,152	44,294,996	45,022,505	45,607,190	46,838,775	46,607,001	51,150,585	52,493,291	56,847,910	67,965,578
Restricted	8,455,975	8,220,298	8,344,664	8,603,453	5,584,537	7,056,728	7,020,747	7,368,480	5,866,403	6,286,323
Unrestricted (deficit)	<u>3,585,947</u>	<u>3,692,846</u>	<u>5,679,021</u>	<u>(34,911)</u>	<u>273,067</u>	<u>(1,633,380)</u>	<u>(2,062,425)</u>	<u>5,464,795</u>	<u>9,297,232</u>	<u>24,665,842</u>
Total primary government net position	<u>\$ 55,150,074</u>	<u>\$ 56,208,140</u>	<u>\$ 59,046,190</u>	<u>\$ 54,175,732</u>	<u>\$ 52,696,379</u>	<u>\$ 52,030,349</u>	<u>\$ 56,108,907</u>	<u>\$ 65,326,566</u>	<u>\$ 72,011,545</u>	<u>\$ 98,917,743</u>

\*The cumulative effect of applying GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, resulted in beginning statement of net position for 2015 being restated. Fiscal year 2014 and

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

**Table 2**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
Current:										
General administration	\$ 2,489,042	\$ 2,582,956	\$ 2,272,254	\$ 2,128,025	\$ 2,431,094	\$ 3,585,283	\$ 3,058,338	\$ 3,234,460	\$ 5,686,228	\$ 6,749,641
Police department	6,265,820	6,351,864	8,535,330	9,082,042	9,147,662	10,057,223	10,202,870	8,277,318	9,087,473	7,869,697
Fire department	3,606,197	4,577,604	5,930,240	6,369,763	6,424,089	6,316,894	5,891,420	5,252,500	6,674,554	5,610,446
Other public safety	3,205,227	2,877,212	2,106,118	1,909,304	1,807,769	1,083,063	1,280,126	1,233,710	2,100,099	2,513,767
Protective inspection	474,893	567,880	473,860	433,700	542,856	602,488	577,365	458,665	591,121	656,071
Public works	5,922,407	6,365,907	6,145,067	6,284,490	6,931,855	7,125,056	6,796,732	6,582,936	7,952,617	9,034,637
Public services	532,551	541,432	31,950	32,746	61,695	71,343	84,351	70,473	25,934	63,877
Health and welfare	410,477	459,236	573,179	386,403	609,728	696,837	605,567	489,148	549,787	620,326
Cultural and recreation	1,157,670	1,171,381	1,138,931	1,119,164	1,214,342	1,260,562	1,546,288	1,484,920	2,002,982	1,794,449
Interest on long-term debt	933,184	811,774	773,234	861,792	769,576	762,801	627,969	547,300	576,213	483,078
Total governmental activities expenses	<u>24,997,468</u>	<u>26,307,246</u>	<u>27,980,163</u>	<u>28,607,429</u>	<u>29,940,666</u>	<u>31,561,550</u>	<u>30,671,026</u>	<u>27,631,430</u>	<u>35,247,008</u>	<u>35,395,989</u>
Business-type activities:										
Water and sewer	8,827,599	8,724,209	9,016,083	9,221,277	9,631,871	10,479,232	10,125,149	11,436,013	13,314,999	14,362,381
Total business-type activities expenses	<u>8,827,599</u>	<u>8,724,209</u>	<u>9,016,083</u>	<u>9,221,277</u>	<u>9,631,871</u>	<u>10,479,232</u>	<u>10,125,149</u>	<u>11,436,013</u>	<u>13,314,999</u>	<u>14,362,381</u>
Total primary government expenses	<u>33,825,067</u>	<u>35,031,455</u>	<u>36,996,246</u>	<u>37,828,706</u>	<u>39,572,537</u>	<u>42,040,782</u>	<u>40,796,175</u>	<u>39,067,443</u>	<u>48,562,007</u>	<u>49,758,370</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	5,338,355	5,485,953	8,458,140	5,154,080	5,571,532	5,911,828	7,660,255	6,285,949	6,798,012	6,868,593
Operating grants and contributions	3,153,469	3,320,465	3,673,664	3,625,951	3,944,769	4,819,791	4,330,754	6,938,348	8,679,856	18,358,381
Capital grants and contributions	1,199,000	1,078,636	851,360	750,793	724,333	509,874	503,372	394,939	487,840	606,910
Total governmental activities program revenues	<u>9,690,824</u>	<u>9,885,054</u>	<u>12,983,164</u>	<u>9,530,824</u>	<u>10,240,634</u>	<u>11,241,493</u>	<u>12,494,381</u>	<u>13,619,236</u>	<u>15,965,708</u>	<u>25,833,884</u>
Business-type activities:										
Charges for services	9,413,488	9,590,596	9,560,808	9,598,816	9,285,223	9,689,488	9,937,564	10,685,204	12,395,361	15,584,120
Capital grants and contributions	27,748	-	-	-	-	-	-	8,765	241,335	5,078,026
Total business-type activities program revenues	<u>9,441,236</u>	<u>9,590,596</u>	<u>9,560,808</u>	<u>9,598,816</u>	<u>9,285,223</u>	<u>9,689,488</u>	<u>9,937,564</u>	<u>10,693,969</u>	<u>12,636,696</u>	<u>20,662,146</u>
Total primary government program revenues	<u>\$ 19,132,060</u>	<u>\$ 19,475,650</u>	<u>\$ 22,543,972</u>	<u>\$ 19,129,640</u>	<u>\$ 19,525,857</u>	<u>\$ 20,930,981</u>	<u>\$ 22,431,945</u>	<u>\$ 24,313,205</u>	<u>\$ 28,602,404</u>	<u>\$ 46,496,030</u>

**City of Texarkana, Arkansas**  
**Change in Net Position (Continued)**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (15,306,644)	\$ (16,422,192)	\$ (14,996,999)	\$ (19,076,605)	\$ (19,700,032)	\$ (20,320,057)	\$ (18,176,645)	\$ (14,012,194)	\$ (19,281,300)	\$ (9,562,105)
Business-type activities	613,637	866,387	544,725	377,539	(346,648)	(789,744)	(187,585)	(742,044)	(678,303)	6,299,765
Total primary government net expense	<u>(14,693,007)</u>	<u>(15,555,805)</u>	<u>(14,452,274)</u>	<u>(18,699,066)</u>	<u>(20,046,680)</u>	<u>(21,109,801)</u>	<u>(18,364,230)</u>	<u>(14,754,238)</u>	<u>(19,959,603)</u>	<u>(3,262,340)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	3,868,690	3,902,704	4,161,676	3,752,005	4,490,963	4,143,548	4,659,625	4,836,599	5,555,834	6,464,384
Sales taxes	9,758,447	9,646,473	9,828,654	10,681,031	10,848,072	12,000,098	13,657,606	14,309,866	13,965,036	13,248,843
Franchise taxes	2,859,259	2,640,381	2,528,697	2,637,048	2,427,491	2,580,633	2,908,404	3,485,108	3,234,319	3,227,188
Other taxes	67,975	57,884	79,969	81,351	80,414	73,150	108,234	137,403	134,784	123,176
Unrestricted investment earnings	15,444	5,885	10,570	19,591	26,472	11,095	4,142	11,176	47,643	53,083
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(20,365)	-
Miscellaneous	289,351	100,279	541,419	471,372	562,639	1,289,257	728,221	703,610	568,829	748,496
Intergovernmental	-	-	-	-	-	-	-	265,786	2,934,820	4,194,467
Transfers	183,034	335,094	238,504	1,036,864	560,828	404,301	395,253	428,275	445,795	514,082
Total governmental activities	<u>17,042,200</u>	<u>16,688,700</u>	<u>17,389,489</u>	<u>18,679,262</u>	<u>18,996,879</u>	<u>20,502,082</u>	<u>22,461,485</u>	<u>24,177,823</u>	<u>26,866,695</u>	<u>28,573,719</u>
Business-type activities:										
Unrestricted investment earnings	267,423	152,922	156,212	174,072	179,535	234,884	229,621	67,753	94,637	1,943,559
Transfers	(233,566)	(227,751)	(255,377)	(853,431)	(609,087)	(293,195)	(248,318)	(273,679)	(316,750)	(348,740)
Total business-type activities	<u>33,857</u>	<u>(74,829)</u>	<u>(99,165)</u>	<u>(679,359)</u>	<u>(429,552)</u>	<u>(58,311)</u>	<u>(18,697)</u>	<u>(205,926)</u>	<u>(222,113)</u>	<u>1,594,819</u>
Total primary government general revenues and other changes in net position	<u>17,076,057</u>	<u>16,613,871</u>	<u>17,290,324</u>	<u>17,999,903</u>	<u>18,567,327</u>	<u>20,443,771</u>	<u>22,442,788</u>	<u>23,971,897</u>	<u>26,644,582</u>	<u>30,168,538</u>
<b>Change in Net Position</b>										
Governmental activities	1,735,556	266,508	2,392,490	(397,343)	(703,153)	182,025	4,284,840	10,165,629	7,585,395	19,011,614
Business-type activities	647,494	791,558	445,560	(301,820)	(776,200)	(848,055)	(206,282)	(947,970)	(900,416)	7,894,584
Total primary government changes in net position	<u>\$ 2,383,050</u>	<u>\$ 1,058,066</u>	<u>\$ 2,838,050</u>	<u>\$ (699,163)</u>	<u>\$ (1,479,353)</u>	<u>\$ (666,030)</u>	<u>\$ 4,078,558</u>	<u>\$ 9,217,659</u>	<u>\$ 6,684,979</u>	<u>\$ 26,906,198</u>

**City of Texarkana, Arkansas**  
**Program Revenues by Function/Program**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 3**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Function/ Program</b>										
Governmental activities:										
General administration	\$ 2,429,549	\$ 2,309,740	\$ 2,355,799	\$ 2,097,646	\$ 2,053,071	\$ 1,680,671	\$ 1,848,312	\$ 1,739,228	\$ 1,879,271	\$ 1,748,924
Police department	979,346	1,174,511	1,314,276	892,312	1,053,188	2,147,970	1,213,129	1,507,508	986,195	1,235,964
Fire department	7,481	5,870	-	-	-	-	57,483	-	-	-
Other public safety	1,501	178,555	-	-	-	-	13,995	76,319	821,270	282,807
Public works	5,930,278	5,862,094	5,699,490	6,489,157	6,791,276	6,450,872	6,483,074	6,980,574	7,735,745	-
Public services	263,869	274,870	3,510,486	(32,500)	263,804	894,767	2,804,375	3,207,125	4,285,396	7,956,796
Health and welfare	-	-	-	-	-	-	1,615	19,653	-	14,399,347
Cultural and recreation	78,800	79,414	103,113	84,209	79,295	67,213	72,398	88,829	257,831	210,046
Subtotal governmental activities	<u>9,690,824</u>	<u>9,885,054</u>	<u>12,983,164</u>	<u>9,530,824</u>	<u>10,240,634</u>	<u>11,241,493</u>	<u>12,494,381</u>	<u>13,619,236</u>	<u>15,965,708</u>	<u>25,833,884</u>
Business-type activities:										
Water and sewer	<u>9,441,236</u>	<u>9,590,596</u>	<u>9,560,808</u>	<u>9,598,816</u>	<u>9,285,223</u>	<u>9,689,488</u>	<u>9,937,564</u>	<u>10,693,969</u>	<u>12,636,696</u>	<u>20,662,146</u>
Subtotal business-type activities	<u>9,441,236</u>	<u>9,590,596</u>	<u>9,560,808</u>	<u>9,598,816</u>	<u>9,285,223</u>	<u>9,689,488</u>	<u>9,937,564</u>	<u>10,693,969</u>	<u>12,636,696</u>	<u>20,662,146</u>
Total primary government	<u>\$ 19,132,060</u>	<u>\$ 19,475,650</u>	<u>\$ 22,543,972</u>	<u>\$ 19,129,640</u>	<u>\$ 19,525,857</u>	<u>\$ 20,930,981</u>	<u>\$ 22,431,945</u>	<u>\$ 24,313,205</u>	<u>\$ 28,602,404</u>	<u>\$ 46,496,030</u>

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

**Table 4**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Nonspendable										
Prepaid items	\$ 180,061	\$ 263,696	\$ 5,087	\$ 10,961	\$ 124,016	\$ 129,438	\$ 211,363	\$ 103,044	\$ 61,456	\$ 2,500
Restricted										
Police department	-	19,105	-	-	13,796	-	-	-	-	-
Animal Shelter	-	-	-	-	-	1,000,000	199,356	132,598	14,235	13,706
Committed										
Cultural and recreation	17,723	17,254	14,106	13,175	14,175	10,577	10,411	10,811	10,723	11,723
Assigned										
Police department	33,090	18,646	18,646	39,173	20,902	24,890	43,275	43,275	36,496	36,496
Other public safety	-	-	-	-	-	-	833,168	787,051	761,635	761,635
Public works	30,292	30,292	30,292	30,292	30,292	30,292	30,292	30,292	30,292	30,292
Unassigned	3,397,384	3,405,025	3,684,175	5,309,483	6,652,827	6,993,171	7,467,785	8,200,886	6,604,310	6,264,678
Total general fund	<u>\$ 3,658,550</u>	<u>\$ 3,754,018</u>	<u>\$ 3,752,306</u>	<u>\$ 5,403,084</u>	<u>\$ 6,856,008</u>	<u>\$ 8,188,368</u>	<u>\$ 8,795,650</u>	<u>\$ 9,307,957</u>	<u>\$ 7,519,147</u>	<u>\$ 7,121,030</u>
<b>All Other Governmental Funds</b>										
Nonspendable										
Prepaid items	\$ 35,044	\$ 32,878	\$ 9,084	\$ 10,338	\$ 8,650	\$ 8,436	\$ 1,598	\$ 1,018	\$ 25,773	\$ 25,000
Restricted										
General administration	76,600	74,710	69,204	55,803	42,913	1,842	-	-	-	-
Police department	15,332	6,167	4,422	44,602	36,212	41,057	9,924	6,164	6,618	67,831
Fire department	29,607	20,322	22,669	24,514	46,697	46,697	48,433	48,433	84,198	124,341
Public works	302,180	356,038	502,289	608,286	822,305	952,685	1,101,231	1,155,555	1,250,702	1,347,004
Debt service	1,734,277	1,768,212	1,820,312	2,085,820	2,169,733	2,098,635	2,090,684	2,094,850	2,298,811	2,381,822
Cultural and recreation	91,864	98,952	92,679	65,944	125,609	904,535	189,723	274,157	565	47,409
Committed										
Public works	307,575	240,855	309,211	302,820	375,357	389,125	389,174	344,782	329,956	425,139
Assigned										
Police department	321,472	406,223	371,024	371,024	180,005	141,598	155,327	155,327	-	105,324
Fire department	-	-	-	-	-	-	-	-	-	-
Public works	1,397,208	1,829,769	1,965,830	1,901,999	1,982,813	1,856,004	954,826	1,758,240	1,423,480	1,906,568
Unassigned	-	-	(769)	(1,223)	-	-	(15,433)	(4,645)	19,033	(106,935)
Total all other governmental funds	<u>\$ 4,311,159</u>	<u>\$ 4,834,126</u>	<u>\$ 5,165,955</u>	<u>\$ 5,469,927</u>	<u>\$ 5,790,294</u>	<u>\$ 6,440,614</u>	<u>\$ 4,925,487</u>	<u>\$ 5,833,881</u>	<u>\$ 5,439,136</u>	<u>\$ 6,323,503</u>

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

**Table 5**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Property taxes	\$ 3,760,473	\$ 3,800,773	\$ 3,813,210	\$ 3,956,051	\$ 4,327,850	\$ 3,920,159	\$ 4,476,000	\$ 4,424,757	\$ 5,067,174	\$ 5,708,592
Sales taxes	9,758,447	9,646,473	9,828,654	10,681,031	10,848,072	12,000,098	13,657,606	14,309,866	13,965,036	13,248,843
Other taxes	67,975	57,884	79,969	81,351	80,414	73,150	108,234	137,403	134,784	123,176
Utility franchise	2,856,455	2,627,570	2,431,741	2,603,390	2,427,491	2,579,878	2,913,540	3,488,808	3,234,319	3,227,188
Licenses and permits	204,483	179,075	183,444	328,393	374,198	285,820	315,045	407,443	395,558	293,710
Fines, forfeitures and penalties	619,982	609,268	648,141	561,880	726,567	588,736	441,272	595,471	614,581	880,151
Charges for services	4,356,935	4,350,491	4,330,757	4,601,125	4,702,053	4,644,444	4,495,558	5,283,035	5,787,873	5,694,732
Grants and entitlements	1,729,598	1,581,993	1,521,589	1,501,847	1,683,823	2,564,904	1,952,542	1,636,370	3,964,729	5,192,937
Intergovernmental	2,717,855	2,750,738	3,003,435	2,874,897	2,980,101	2,797,192	2,913,901	2,933,033	3,518,198	3,821,992
Investment income	15,444	5,885	10,570	19,591	26,472	11,095	4,142	11,176	47,643	53,083
Miscellaneous	499,274	354,056	541,419	471,372	562,639	1,289,257	728,221	539,445	568,829	748,496
Total revenues	26,586,921	25,964,206	26,392,929	27,680,928	28,739,680	30,754,733	32,006,061	33,766,807	37,298,724	38,992,900
<b>Expenditures</b>										
Current:										
General government	2,193,123	2,165,381	2,024,355	1,960,905	2,072,000	2,989,699	2,885,286	3,676,618	5,631,293	6,669,066
Police department	6,851,193	7,064,815	7,733,463	8,071,706	8,409,285	8,647,948	8,338,120	9,196,694	8,264,919	7,918,839
Fire department	4,366,156	4,485,336	4,777,857	4,948,694	5,104,631	5,256,566	5,304,091	5,546,040	5,805,927	5,872,222
Other public safety	3,188,823	2,864,078	2,098,897	1,906,756	1,797,876	1,082,267	1,274,700	1,230,398	2,097,672	2,522,208
Protective inspection	449,576	505,396	457,378	428,638	490,360	515,739	559,864	547,396	620,693	624,501
Public works	4,799,586	4,731,277	5,010,786	5,241,503	5,422,068	5,284,363	5,606,747	6,297,420	6,581,935	7,533,939
Public services	37,511	57,434	30,885	32,752	55,333	60,953	82,092	82,653	25,583	93,265
Health and welfare	379,360	388,328	539,384	372,137	555,753	593,169	569,022	548,113	531,296	586,342
Cultural and recreation	758,175	736,245	757,833	768,728	784,469	779,679	1,164,225	1,347,862	1,677,383	1,460,919
Capital outlay	3,767,389	735,436	971,816	3,470,847	1,812,390	2,546,205	4,894,595	3,169,978	6,272,243	3,508,070
Debt service:										
Principal retirement	4,765,324	1,112,724	1,111,675	1,021,044	1,173,453	1,442,759	2,609,073	1,585,582	1,832,978	2,005,278
Interest and fiscal charges	873,139	834,415	786,987	798,015	797,521	784,969	477,737	530,256	559,754	470,459
Bond issuance costs	75,684	-	-	61,778	2,078	2,038	204,463	9,210	-	-
Total expenditures	32,505,039	25,680,865	26,301,316	29,083,503	28,477,217	29,986,354	33,970,015	33,768,220	39,901,676	39,265,108
Excess (deficiency) of revenues over expenditures	(5,918,118)	283,341	91,613	(1,402,575)	262,463	768,379	(1,963,954)	(1,413)	(2,602,952)	(272,208)

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

**Table 5**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 5,799,742	\$ 2,232,441	\$ 2,140,719	\$ 5,273,045	\$ 2,460,006	\$ 2,084,653	\$ 2,595,101	\$ 1,840,199	\$ 2,371,257	\$ 2,950,173
Transfers out	(5,616,708)	(1,897,347)	(1,902,215)	(4,236,181)	(1,899,178)	(1,730,352)	(2,199,848)	(1,411,924)	(1,925,462)	(2,436,091)
Issuance of debt	54,460	-	-	2,316,606	950,000	810,000	11,640,849	650,000	217,978	-
Leases issued	-	-	-	-	-	-	-	343,840	-	-
Refunding bonds issued	3,770,000	-	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	36,621	-	-	-
Discount on refunding bonds issued	(40,864)	-	-	-	-	-	(16,339)	-	-	-
Original issue premium	-	-	-	3,855	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(11,000,275)	-	-	-
<b>Total other financing sources (uses)</b>	<u>3,966,630</u>	<u>335,094</u>	<u>238,504</u>	<u>3,357,325</u>	<u>1,510,828</u>	<u>1,164,301</u>	<u>1,056,109</u>	<u>1,422,115</u>	<u>663,773</u>	<u>514,082</u>
<b>Net change in fund balances</b>	<u>\$ (1,951,488)</u>	<u>\$ 618,435</u>	<u>\$ 330,117</u>	<u>\$ 1,954,750</u>	<u>\$ 1,773,291</u>	<u>\$ 1,932,680</u>	<u>\$ (907,845)</u>	<u>\$ 1,420,702</u>	<u>\$ (1,939,179)</u>	<u>\$ 241,874</u>
Debt Service as a percentage of noncapital expenditures	19.6%	7.8%	7.5%	7.1%	7.4%	8.1%	10.6%	6.9%	7.1%	6.9%

**City of Texarkana, Arkansas**  
**General Government Tax Revenues by Source**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**

**Table 6**

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales and Use</b>	<b>Other</b>	<b>Utility Franchise</b>	<b>Total</b>
2015	3,760,473	9,758,447	67,975	2,856,455	16,443,350
2016	3,800,773	9,646,473	57,884	2,627,570	16,132,700
2017	3,813,210	9,828,654	79,969	2,431,741	16,153,574
2018	3,956,051	10,681,031	81,351	2,603,390	17,321,823
2019	4,327,850	10,848,072	80,414	2,427,491	17,683,827
2020	3,920,159	12,000,098	73,150	2,579,878	18,573,285
2021	4,476,000	13,657,606	108,234	2,913,540	21,155,380
2022	4,424,757	14,309,866	137,403	3,488,808	22,360,834
2023	5,067,174	13,965,036	134,784	3,234,319	22,401,313
2024	5,708,592	13,248,843	123,176	3,227,188	22,307,799

**City of Texarkana, Arkansas**  
**Assessed and Appraised Value of Taxable Property**  
**Last Ten Years**

**Table 7**

Year	Tax Roll Year	Real Property Assessed Value	Personal Property Assessed Value	Total Property Assessed Value	Tax Rate (1)	Total Tax Levy	Tax Distribution					
							General Fund (2)	Debt Service	Firemen's Pension (2)	Policemen's Pension (2)	Library Fund	TIF District
2015	2014	\$ 253,856,840	\$ 98,258,389	\$ 352,115,229	0.1050	\$ 3,697,210	\$ 1,760,576	\$ 880,288	\$ 352,115	\$ 352,115	\$ 352,115	\$ -
2016	2015	253,696,935	106,190,069	359,887,004	0.1050	3,778,814	1,754,148	877,074	350,830	350,830	350,830	95,103
2017	2016	259,217,677	108,560,385	367,778,062	0.1050	3,861,670	1,792,736	896,368	358,547	358,547	358,547	96,924
2018	2017	263,840,379	117,889,390	381,729,769	0.1050	4,008,163	1,862,495	931,247	372,499	372,499	372,499	96,924
2019	2018	267,430,380	119,943,230	387,373,610	0.1050	4,067,423	1,890,714	945,357	378,143	378,143	378,143	96,924
2020	2019	271,050,681	117,981,340	389,032,021	0.1050	4,084,837	1,899,004	949,502	379,801	379,801	379,801	96,928
2021	2020	287,177,884	133,340,310	420,518,194	0.1050	4,415,441	2,057,090	1,028,545	411,418	411,418	411,418	95,552
2022	2021	294,631,989	139,685,129	434,317,118	0.1050	4,560,330	2,128,309	1,064,155	425,662	425,662	425,662	90,880
2023	2022	309,008,873	173,512,296	482,521,169	0.1050	5,066,472	2,367,342	1,183,672	473,469	473,469	473,469	95,051
2024	2023	316,046,763	172,586,056	488,632,819	0.1050	5,130,645	2,396,512	1,198,256	479,303	479,303	479,303	97,968
2025	2024	319,060,446	172,211,220	491,271,666	0.1050	5,158,352	2,408,428	1,204,213	481,685	481,685	481,685	100,656

Note:

(1) Tax rate per \$100 of assessed value.

(2) Firemen's Pension and Policemen's Pension are initially accounted for within the general fund.

Source - Miller County Tax Records per the Assessor's Office.

**City of Texarkana, Arkansas**  
**Property Tax Rates and Tax Levies of Direct and Overlapping Governments**  
**Last Ten Years**  
**Local Tax Rates – Per \$100 of Assessed Value**

**Table 8**

Year	City of Texarkana, Arkansas						County School District	County	Total
	General Fund	Debt Service Fund	Firemen's Pension	Policemen's Pension	Library	Total			
<b>Real Property Tax Rates:</b>									
2015	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2016	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2017	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2018	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2019	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2020	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2021	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2022	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2023	5.00	2.50	1.00	1.00	1.00	10.50	38.90	8.00	57.40
2024	5.00	2.50	1.00	1.00	1.00	10.50	38.90	8.00	57.40
<b>Personal Property Tax Rates:</b>									
2015	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2016	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2017	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2018	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2019	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2020	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2021	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2022	5.00	2.50	1.00	1.00	1.00	10.50	38.90	5.50	54.90
2023	5.00	2.50	1.00	1.00	1.00	10.50	38.90	8.00	57.40
2024	5.00	2.50	1.00	1.00	1.00	10.50	38.90	8.00	57.40

Source - Miller County Tax Records.

Notes: Overlapping rates are those of local and county governments that apply to the property owners within the City of Texarkana, Arkansas. Not all overlapping rates apply to all City property owners.

# **City of Texarkana, Arkansas**

## **Principal Sales Taxpayers**

### **December 31, 2024**

The City of Texarkana, Arkansas' largest own-source revenue is sales taxes. Sales taxes primarily come from three separate taxes; a two and one-half cent city tax based on point of sale, and a portion of the county's one and one-quarter cent tax based on an Interlocal Cooperation Agreement between Miller County, Arkansas and the municipal corporations of the State of Arkansas located within the county, and one-half cent road tax distribution from the State of Arkansas for the construction of four-lane highways to connect all four corners of the state. Per the agreement, the City of Texarkana receives forty-five percent of the county sales tax collections. In 2024, the City's sales tax generated revenue of \$13,248,843. The City's portion of the county sales tax generated revenue of \$3,220,017 and the municipal four-lane highway tax received from the State of Arkansas and the state wholesale fuel tax totaled \$217,303.

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

**City of Texarkana, Arkansas**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

**Table 9**

Taxpayer	2024			2015		
	Rank	2024 Assessed Valuation (1) (2)	Percentage of Total Assessed Valuation	Rank	2015 Assessed Valuation (1) (3)	Percentage of Total Assessed Valuation
The Goodyear Tire & Rubber Co.	1	\$ 13,001,090	2.99%			
Southwestern Electric Power Co.	2	10,603,000	2.44%	2	10,113,650	2.81%
Cooper Tire & Rubber Co Bond 1	3	8,165,450	1.88%	4	4,745,494	1.32%
TAC Leasing	4	6,282,270	1.45%			
Southwest Ar Electric Co-op	5	4,187,580	0.96%	3	9,955,430	2.77%
Wal-Mart Stores, Inc. #04-0468	6	4,065,780	0.84%	5	4,119,283	1.14%
Centerpoint Energy ARKLA	7	3,326,340	0.77%			
Tri-State Iron & Metal	8	3,292,450	0.68%			
Valor Telecommunications	9	3,141,110	0.64%	7	3,676,420	1.02%
Smith-Blair	10	2,995,450	0.61%			
Union Pacific System				1	10,437,570	2.90%
Southwest Ark Telephone Co				6	3,966,482	1.10%
Garland Farms				8	2,612,462	0.73%
Tyson Foods, Inc.				9	2,747,924	0.76%
AT&T Mobility LLC				10	2,338,820	0.65%
Total principal taxpayers		<u>\$ 59,060,520</u>	<u>13.26%</u>		<u>\$ 54,713,535</u>	<u>15.20%</u>

Notes:

(1) Net of exemptions

(2) Source - Miller County Tax Records per the Collector's office

(3) Source - City of Texarkana AR ACFR statistical section for fiscal year December 31, 2015

**City of Texarkana, Arkansas**  
**Property Tax Levies and Collections**  
**Last Ten Years**

**Table 10**

<b>Fiscal Year</b>	<b>Tax Roll Year</b>	<b>Total Tax Levy(2)(3)</b>	<b>Current Taxes Collected(1)</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Taxes Collected(1)</b>	<b>Total Tax Collections</b>	<b>Percent Total Tax Collections to Tax Levy(3)</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent Delinquent Taxes to Tax Levy</b>
2014	2013	3,528,590	2,938,121	83.27%	370,183	3,308,304	0.94	220,286	0.06
2015	2014	3,697,210	3,168,089	85.69%	495,408	3,663,497	99.09%	33,713	0.91%
2016	2015	3,778,814	3,219,125	85.19%	481,402	3,700,527	97.93%	78,287	2.07%
2017	2016	3,861,670	3,329,353	86.22%	483,855	3,813,208	98.75%	48,462	1.25%
2018	2017	4,008,163	3,507,408	87.51%	342,965	3,850,373	96.06%	157,790	3.94%
2019	2018	4,067,423	3,692,123	90.77%	581,343	4,273,466	105.07%	375,300	9.23%
2020	2019	4,415,441	3,359,499	76.09%	364,831	3,724,330	84.35%	1,002,305	22.70%
2021	2020	4,560,330	3,472,798	76.15%	461,207	3,934,005	86.27%	626,325	13.73%
2022	2021	5,066,472	3,836,107	75.72%	322,369	4,158,476	82.08%	907,996	17.92%
2023	2022	5,130,645	4,456,710	86.86%	475,108	4,931,818	96.12%	198,827	3.88%
2024	2023	5,158,352	4,105,687	79.59%	449,720	4,555,407	88.31%	602,946	11.69%

(1) Excludes City portion of county road taxes shown in Special Revenue Fund.

(2) Tax levies include separate assessment shown on Utilities.

(3) Source - Miller County Tax Records per the Collector's Office.

**City of Texarkana, Arkansas**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Years**

**Table 11**

<b>Year</b>	<b>City Direct Rate</b>	<b>Miller County Rate</b>
2015	2.50%	1.25%
2016	2.50%	1.25%
2017	2.50%	1.25%
2018	2.50%	1.25%
2019	2.50%	1.25%
2020	2.50%	1.25%
2021	2.50%	1.25%
2022	2.50%	1.25%
2023	2.50%	1.25%
2024	2.50%	1.25%

Source: Arkansas Department of Finance and Administration

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

**Table 12**

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Revenue Bonds	Installment loans	Leases Payable	Water Revenue Bonds	Contracts Payable	Leases Payable			
2015	9,623,528	13,184,382	548,454	39,962	11,483,954	56,910	-	34,937,190	5.43%	1,164
2016	9,135,064	12,834,303	283,498	22,194	10,359,438	15,420,815	-	48,055,312	7.48%	1,595
2017	8,661,600	12,434,224	55,509	3,508	9,192,660	14,814,128	-	45,161,629	7.03%	1,498
2018	8,118,136	14,282,725	-	44,579	7,982,470	14,734,050	-	45,161,960	6.77%	1,499
2019	7,509,672	13,727,370	950,000	26,126	6,728,413	14,506,625	-	43,448,206	6.10%	1,443
2020	6,846,208	13,157,015	1,561,667	6,700	5,429,525	14,346,918	-	41,348,033	5.72%	1,383
2021	6,187,744	13,178,880	820,000	42,996	4,269,040	14,183,008	-	38,681,668	5.20%	1,295
2022	5,439,280	12,462,478	1,463,920	442,601	3,208,778	14,014,783	-	37,031,840	4.80%	1,263
2023	4,650,816	11,736,076	1,297,821	516,700	23,723,491	13,842,130	-	55,767,034	7.13%	1,912
2024	3,702,352	11,004,674	1,118,684	342,559	22,629,983	13,664,934	-	52,463,186	6.39%	1,798

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

(1) See Demographic and Economic Statistics Schedule for personal income and population data.

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

**Table 13**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Monies Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2015	30,015	359,887,004	9,623,528	767,335	8,856,193	2.46%	295
2016	30,127	367,778,062	9,135,064	830,435	8,304,629	2.26%	276
2017	30,155	381,729,769	8,661,600	898,787	7,762,813	2.03%	257
2018	30,120	387,373,610	8,118,136	948,354	7,169,782	1.85%	238
2019	30,104	389,032,021	7,509,672	949,123	6,560,549	1.69%	218
2020	29,901	420,518,194	6,846,208	916,320	5,929,888	1.41%	198
2021	29,864	434,317,118	6,187,744	977,978	5,209,766	1.20%	174
2022	29,314	482,521,169	5,439,280	991,182	4,448,098	0.92%	152
2023	29,172	488,632,819	4,650,816	1,122,342	3,528,474	0.72%	121
2024	29,387	491,271,666	3,702,352	1,137,377	2,564,975	0.52%	87

Notes:

(1) Source - Bureau of Census

(2) Source - Miller County Tax Records

(3) Gross bonded debt consists of General Obligation bonds only

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

**Table 14**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage of Debt Applicable to City of Texarkana</u>	<u>Amount Applicable to City of Texarkana</u>
Direct:			
City of Texarkana, Arkansas	\$ 16,168,269 (2)	100.00%	<u>\$ 16,168,269</u>
Overlapping:			
Texarkana, Arkansas School District	43,745,000 (1)	78.62%	<u>34,392,319</u>
Subtotal - Overlapping debt			<u>34,392,319</u>
Total direct and overlapping			<u><u>\$ 50,560,588</u></u>
Per capita overlapping debt			<u><u>\$ 1,720.51</u></u>

Notes:

Source-City and County tax records. The percentage of overlapping debt applicable is estimated using taxable assessed property values within the City.

(1) Source - Texarkana Arkansas School District

(2) Including \$3,702,352 of general obligation, \$11,004,674 of revenue bonds and \$1,118,684 of notes payable

**City of Texarkana, Arkansas**  
**Legal Debt Margin Information**  
**December 31, 2024**

**Table 15**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 89,971,751	\$ 91,944,516	\$ 95,432,442	\$ 96,843,403	\$ 97,258,005	\$ 105,129,549	\$ 108,579,280	\$ 120,630,292	\$ 122,158,205	\$ 122,817,917
Total net debt applicable to limit	<u>8,856,193</u>	<u>8,147,993</u>	<u>7,762,813</u>	<u>7,169,782</u>	<u>6,560,549</u>	<u>5,929,888</u>	<u>5,209,766</u>	<u>4,448,098</u>	<u>3,528,474</u>	<u>2,564,975</u>
Legal debt margin	<u>\$ 81,115,558</u>	<u>\$ 83,796,523</u>	<u>\$ 87,669,629</u>	<u>\$ 89,673,621</u>	<u>\$ 90,697,456</u>	<u>\$ 99,199,661</u>	<u>\$ 103,369,514</u>	<u>\$ 116,182,194</u>	<u>\$ 118,629,731</u>	<u>\$ 120,252,942</u>
Total net debt applicable to the limit as a percentage of debt limit	10.92%	9.72%	8.85%	8.00%	7.23%	5.98%	7.23%	3.83%	2.97%	2.13%

**Legal Debt Margin Calculation for 2022**

Assessed value	\$ 491,271,666
Debt limit - 25% of assessed value:	
General obligation debt limitation	122,817,917
Debt applicable to limit:	
General obligation bonds	3,702,352
Less: Amount set aside for repayment in debt services funds	<u>1,137,377</u>
Total net debt applicable to limit	<u>2,564,975</u>
Legal debt margin	<u>\$ 120,252,942</u>

**City of Texarkana, Arkansas**  
**Pledged Revenue Coverage – Texarkana, Arkansas Water Utilities**  
**Last Ten Years**

**Table 16**

<b>Fiscal Year Ended December 31</b>	<b>Gross Revenue(1)</b>	<b>Operating Expenses (2)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Debt Service Requirements (3)</b>	<b>Coverage</b>
2015	\$ 9,948,542	\$ 6,215,070	\$ 3,733,472	\$ 1,542,258	2.42
2016	10,127,143	6,027,246	4,099,897	1,546,698	2.56
2017	10,118,750	6,285,420	3,833,330	1,498,806	2.56
2018	10,196,477	6,423,493	3,772,984	1,505,272	2.51
2019	10,561,331	6,788,047	3,773,284	1,467,442	2.12
2020	10,167,404	7,315,297	2,852,107	1,373,310	1.90
2021	10,161,962	7,209,252	2,952,710	1,201,015	2.46
2022	10,885,705	8,446,231	2,439,474	1,131,378	2.16
2023	12,670,572	9,928,022	2,742,550	2,150,367	1.28
2024	17,163,492	10,458,235	6,705,257	2,150,367	3.12

Notes:

- (1) Gross revenue includes interest income on investment and proceeds from sale of fixed assets.  
Gross revenue also includes payments received from Texarkana, Texas Water Utilities for debt service on revenue bonds issued for construction of Millwood Water Treatment Facilities and McKinney Bayou Wastewater Treatment Facilities.
- (2) Operating expenses exclude depreciation.
- (3) Principal and interest on revenue bonds only. Amounts do not include payments on obligations under leases.

# City of Texarkana, Arkansas

## Demographic and Economic Statistics

### Last Ten Years

**Table 17**

Fiscal Year	Population (1)	Personal Income (3)	Median Age (1)	Per Capita Income(1)	Unemployment Rate(2)
2015	30,015	643,881,780	37.2	21,452	5.5%
2016	30,127	642,247,386	37.3	21,318	3.9%
2017	30,155	642,572,895	37.6	21,309	3.7%
2018	30,120	666,917,040	38.5	22,142	3.6%
2019	30,104	712,591,784	38.8	23,671	3.6%
2020	29,901	712,591,784	39.5	24,183	6.1%
2021	29,864	744,121,288	40.2	24,917	4.2%
2022	29,314	771,339,282	40.2	26,313	4.2%
2023	29,172	782,597,244	39.1	26,827	3.4%
2024	29,387	827,361,598	38.4	28,154	4.2%

Notes:

(1) Source - U.S. Census Bureau

(2) Source - U.S. Bureau of Labor Statistics

(3) Personal Income is a calculation of per capital income multiplied by the population

**City of Texarkana, Arkansas**  
**Principal Employers, Metropolitan Statistical Area (MSA) –**  
**Texarkana, Arkansas and Texarkana, Texas**  
**Current Year and Nine Years Ago**

**Table 18**

Employer	2024			2015		
	Employees	Rank	Percentage of Total MSA Employment (1)	Employees	Rank	Percentage of Total MSA Employment (2)
Christus St. Michael Health System	2,200	1	3.67%	1,800	2	3.03%
Red River Army Depot	2,103	2	3.51%	4,135	1	6.95%
The Goodyear Tire & Rubber Company	1,820	3	3.03%			0.00%
Texarkana, Texas ISD	1,350	4	2.25%	1,150	7	1.93%
Graphic Packaging	814	5	1.36%			
Wal-Mart/Sam's	802	6	1.34%	1,200	6	2.02%
Wadley Regional Medical Center	622	7	1.04%	755	10	1.27%
Ledwell	611	8	1.02%			
Texarkana, Arkansas ISD	603	9	1.01%			0.00%
Domtar, Inc.	572	10	0.95%	900	8	1.51%
Cooper Tire & Rubber				1,750	3	2.94%
ACEOM/URS				1,300	4	2.18%
International Paper Company				800	9	1.34%
Southern Refrigerated Transport				1,235	5	2.08%
City of Texarkana, Texas						
<b>Total</b>	<b>11,497</b>		<b>19.16%</b>	<b>15,025</b>		<b>25.00%</b>

Source:  
Chamber of Commerce  
Texas Workforce Commission LMI Tracer

Notes:  
(1) MSA employment for 2023 is 60,000  
(2) MSA employment for 2014 is 59,500

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

**Table 19**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government										
Administration	3	5	4	4	4	4	4	4	4	4
Finance	9	8	8	8	8	8	8	8	9	9
City Clerk	2	2	2	2	2	2	2	2	2	2
Courts	5	5	5	5	5	5	5	5	5	7
Marketing & Communications	1	0	0	0	0	0	0	0	0	0
Police department										
Police General	76	76	77	77	77	77	77	77	77	77
Police Housing	2	2	2	2	2	2	2	2	2	2
Cops in School	1	1	0	0	0	0	0	0	0	0
Police Narcotics	5	5	5	5	5	5	5	5	5	5
Police Support	11	11	26	26	26	26	26	24	25	25
Police Animal	0	0	0	0	0	0	0	0	0	0
Probation	4	4	4	4	4	4	4	4	4	3
Fire department										
Fire	59	59	59	59	59	59	59	59	59	59
Public works										
Street	17	13	13	13	13	13	15	19	19	19
Environmental	4	4	4	4	4	4	4	4	4	4
Engineering	1	1	1	1	1	1	1	1	1	1
Planning	2	2	2	2	2	2	2	2	2	2
Code Enforcement	6	6	6	6	6	6	6	6	6	6
Parks and recreation	4	4	4	4	4	4	4	6	6	6
Building maintenance	1	1	1	1	1	1	1	1	1	1
ADC	3	9	9	9	9	9	9	9	9	9
Refuse Operator	1	1	1	1	1	1	1	0	0	0
Public services										
RSVP - Arkansas	1	0	0	0	0	0	0	0	0	0
RSVP - Texas	1	0	0	0	0	0	0	0	0	0
Parks and recreation										
Manager	0	0	0	0	0	0	0	0	1	1
Foreman	0	0	0	0	0	0	0	0	1	1
Equipment Operator III	0	0	0	0	0	0	0	0	1	1
Equipment Operator I	0	0	0	0	0	0	0	0	2	2
Administrative assistant	0	0	0	0	0	0	0	0	1	1
ADC	0	0	0	0	0	0	0	0	4	4
Other										
Bi-State Maintenance	13	13	13	13	13	13	13	14	14	15
Bi-State CRC	1	1	1	1	1	1	1	1	0	0
Animal Shelter	5	5	5	5	6	6	7	7	7	7
Animal Control	3	3	3	3	2	2	2	2	2	2
<b>Total</b>	<u>241</u>	<u>241</u>	<u>255</u>	<u>255</u>	<u>255</u>	<u>255</u>	<u>258</u>	<u>262</u>	<u>273</u>	<u>275</u>

**City of Texarkana, Arkansas**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

**Table 20**

<u>Function/Program</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police										
Uniformed employees	84	84	84	84	82	81	84	84	84	84
Fire										
Firefighters	58	58	58	58	57	57	58	58	58	58
Public works										
Building permits issued	454	464	501	438	358	307	488	552	618	541
Building permits (\$)	\$ 18,909,224	\$ 24,230,960	\$ 28,894,884	\$ 20,822,418	\$ 47,446,145	\$ 23,671,824	\$ 21,182,459	\$ 45,048,320	\$ 33,769,842	\$ 46,168,634
Water										
Average daily consumption (millions of gallons)	4.703	6.317	4.372	3.814	4.111	2.930	3.390	3.970	4.180	5,345
Raw water production (millions of gallons)	5.076	6.563	4.481	3.783	4.061	7.525	5.636	5.762	5.842	6,905

Source: Various City Departments

## City of Texarkana, Arkansas

### Capital Asset Statistics by Function

#### Last Ten Years

**Table 21**

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police										
Stations	2	2	2	2	2	2	2	2	3	4
Total units	117	117	96	96	83	84	75	73	82	103
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	252	252	252	252	253	253	253	253	256	267
Recreation										
Number of parks	24	24	24	24	24	24	24	24	24	24
Acres	296.3	296.3	311	311	311	311	321	321	321	321
Pools	1	1	1	1	1	1	0	0	0	0
Ball Fields	15	15	16	16	16	16	16	16	16	16
Tennis courts:										
Lighted	3	3	4	4	4	4	4	4	4	4
Unlighted	1	1	1	1	1	1	1	1	1	1
Community centers	4	4	4	4	4	4	5	5	5	5
Soccer fields	1	1	1	1	1	1	1	1	1	1
Walking/biking trails (miles)	13.91	13.91	13.91	13.91	13.91	15.91	15.91	15.91	15.91	15.91
Utilities										
Plant capacity										
(million gallon average per day)	15	15	15	15	15	15	15	15	15	15
Water mains (miles)	407	412	405	405	408	408	406	410	409	406
Number of water meters	10,154	10,169	10,155	10,152	10,168	11,361	14,459	10,482	10,194	10,212
Sewer mains (miles)	216	233	218	218	219	218	217	217	219	204
Number of fire hydrants	1,469	1,409	1,447	1,482	1,486	1,507	1,499	1,505	1,531	1,350
Number of Mandeville water meters	316	315	315	314	316	320	463	303	295	314
Number of Union water meters	1,231	1,246	1,252	1,274	1,265	1,285	1,611	1,264	1,247	1,324

Source: Various City Departments

## **Other Required Report**

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

The Honorable Mayor and Members of Board of Directors  
City of Texarkana, Arkansas  
Texarkana, Arkansas

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

- (A) Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
- (B) Arkansas District Courts and City Courts Accounting Law, § 16-10-201 et seq.;
- (C) Improvement contracts, §§ 22-9-202–22-9-204;
- (D) Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
- (E) Investment of public funds, § 19-1-501 et seq.; and
- (F) Deposit of public funds, §§ 19-8-101–19-8-107.

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

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

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

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

**Forvis Mazars, LLP**

**Rogers, Arkansas  
December 30, 2025**

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