City of Blytheville, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF BLYTHEVILLE, ARKANSAS
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Financial and Compliance Report

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

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Blytheville, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated August 20, 2026. These procedures were not performed for the Waterworks and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2025:

Mayor: Melisa Logan
Clerk/Treasurer: Melody Lawson
Finance Director: John Callens
District Court Clerk: Patrick Laden
Police Chief: John Frazier

We evaluated the City's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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

ARKANSAS LEGISLATIVE AUDIT

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 20, 2026
LOM101225

CITY OF BLYTHEVILLE, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 7,396,452	$ 145,376	$ 3,865,220
Accounts receivable	869,175	19,423	864,298
Interfund receivables	264,590		
TOTAL ASSETS	$ 8,530,217	$ 164,799	$ 4,729,518
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 164,770	$ 38,702	$ 392,858
Interfund payables		7,498	257,092
Settlements pending			535,560
Total Liabilities	164,770	46,200	1,185,510
Fund Balances:			
Restricted			2,946,627
Assigned		118,599	597,381
Unassigned	8,365,447		
Total Fund Balances	8,365,447	118,599	3,544,008
TOTAL LIABILITIES AND FUND BALANCES	$ 8,530,217	$ 164,799	$ 4,729,518

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

CITY OF BLYTHEVILLE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 183,194	$ 1,132,808	$ 434,184
Federal aid	32,708		161,876
Property taxes	617,736	289,688	
Franchise fees	1,230,008		
Sales taxes	4,389,334		5,324,979
Fines, forfeitures, and costs	312,587		38,315
Interest	119,119	259	31,415
Local permits and fees	423,302		
Sanitation fees	1,450,183		
Advertising and promotion taxes			134,085
Golf course fees	518,100		
Land rent			8,214
Hangar fees			37,080
Fuel sales			5,366
Other	769,324	5,667	94,619
TOTAL REVENUES	10,045,595	1,428,422	6,270,133
EXPENDITURES			
Current:			
General government	1,650,157		1,773
Law enforcement	3,169,165		2,283,229
Highways and streets		2,947,708	760,929
Public safety	1,579,687		1,311,088
Sanitation	1,683,876		413,250
Health	205,485		
Recreation and culture			1,956,076
Advertising and promotion			122,100
Airport			367,200
Total Current	8,288,370	2,947,708	7,215,645
Debt Service:			
Bond principal			315,000
Bond interest and other charges			29,250
TOTAL EXPENDITURES	8,288,370	2,947,708	7,559,895

CITY OF BLYTHEVILLE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 1,757,225	$ (1,519,286)	$ (1,289,762)
OTHER FINANCING SOURCES (USES)			
Transfers in		1,614,000	503,399
Transfers out	(2,117,399)		
Contribution from water department	2,716		
TOTAL OTHER FINANCING SOURCES (USES)	(2,114,683)	1,614,000	503,399
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(357,458)	94,714	(786,363)
FUND BALANCES - JANUARY 1	8,722,905	23,885	4,330,371
FUND BALANCES - DECEMBER 31	$ 8,365,447	$ 118,599	$ 3,544,008

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

CITY OF BLYTHEVILLE, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid		$ 183,194	$ 183,194	$ 1,175,000	$ 1,132,808	$ (42,192)
Federal aid		32,708	32,708			
Property taxes	$ 650,000	617,736	(32,264)	300,000	289,688	(10,312)
Franchise fees	1,167,000	1,230,008	63,008			
Sales taxes	4,931,000	4,389,334	(541,666)			
Fines, forfeitures, and costs	340,000	312,587	(27,413)			
Interest	110,000	119,119	9,119	100	259	159
Local permits and fees	430,650	423,302	(7,348)			
Sanitation fees	1,495,000	1,450,183	(44,817)			
Golf course fees		518,100	518,100	168,000		(168,000)
Other	416,570	769,324	352,754		5,667	5,667
TOTAL REVENUES	9,540,220	10,045,595	505,375	1,643,100	1,428,422	(214,678)
EXPENDITURES						
Current:						
General government	1,874,433	1,650,157	224,276			
Law enforcement	4,507,012	3,169,165	1,337,847			
Highways and streets				3,701,107	2,947,708	753,399
Public safety	1,765,927	1,579,687	186,240			
Sanitation	1,876,598	1,683,876	192,722			
Health	205,485	205,485	0			
TOTAL EXPENDITURES	10,229,455	8,288,370	1,941,085	3,701,107	2,947,708	753,399
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(689,235)	1,757,225	2,446,460	(2,058,007)	(1,519,286)	538,721
OTHER FINANCING SOURCES (USES)						
Transfers in					1,614,000	1,614,000
Transfers out	(1,656,250)	(2,117,399)	(461,149)			
Contribution from water department		2,716	2,716			
TOTAL OTHER FINANCING SOURCES (USES)	(1,656,250)	(2,114,683)	(458,433)		1,614,000	1,614,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,345,485)	(357,458)	1,988,027	(2,058,007)	94,714	2,152,721
FUND BALANCES - JANUARY 1	518,892	8,722,905	8,204,013	1,895,750	23,885	(1,871,865)
FUND BALANCES - DECEMBER 31	$ (1,826,593)	$ 8,365,447	$ 10,192,040	$ (162,257)	$ 118,599	$ 280,856

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

Schedule 1

CITY OF BLYTHEVILLE, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

	SPECIAL REVENUE FUNDS							
	Airport	Advertising and Promotion	Magnetek	Court Automation	Infrastructure Improvement	Police	Fire	Public Safety
ASSETS								
Cash and cash equivalents	$ 293,879	$ 92,184	$ 98,558	$ 157,661	$ 371,094	$ 56,537	$ 1,642,152	$ 184,760
Accounts receivable	35,439	6,113		866	83,405	41,703	50,860	283,967
TOTAL ASSETS	$ 329,318	$ 98,297	$ 98,558	$ 158,527	$ 454,499	$ 98,240	$ 1,693,012	$ 468,727
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 309,770				$ 30,973	$ 13,095	$ 18,163	
Interfund payables						23,578	25,992	$ 201,916
Settlements pending								
Total Liabilities	309,770				30,973	36,673	44,155	201,916
Fund Balances:								
Restricted		$ 98,297	$ 98,558	$ 158,527	423,526	11,567	1,644,957	266,811
Assigned	19,548					50,000	3,900	
Total Fund Balances	19,548	98,297	98,558	158,527	423,526	61,567	1,648,857	266,811
TOTAL LIABILITIES AND FUND BALANCES	$ 329,318	$ 98,297	$ 98,558	$ 158,527	$ 454,499	$ 98,240	$ 1,693,012	$ 468,727

Schedule 1

CITY OF BLYTHEVILLE, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	Parks and Recreation	Drug Control	Community Development Block Grant	2001 Maintenance Construction	2019 Sales and Use Tax Bond, Series 2019
ASSETS					
Cash and cash equivalents	$ 217,169	$ 74,313	$ 73	$ 4,543	$ 136,737
Accounts receivable	333,154				28,791
TOTAL ASSETS	$ 550,323	$ 74,313	$ 73	$ 4,543	$ 165,528
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 20,857				
Interfund payables	5,606				
Settlements pending					
Total Liabilities	26,463				
Fund Balances:					
Restricted		$ 74,313		$ 4,543	$ 165,528
Assigned	523,860		$ 73		
Total Fund Balances	523,860	74,313	73	4,543	165,528
TOTAL LIABILITIES AND FUND BALANCES	$ 550,323	$ 74,313	$ 73	$ 4,543	$ 165,528

CITY OF BLYTHEVILLE, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	CUSTODIAL FUNDS					
	Administration of Justice	Police Bond and Fine	District Court Clerk - Small Claims/Civil	Payroll	Grant	Totals
ASSETS						
Cash and cash equivalents	$ 379	$ 79,178	$ 23,747	$ 432,140	$ 116	$ 3,865,220
Accounts receivable						864,298
TOTAL ASSETS	$ 379	$ 79,178	$ 23,747	$ 432,140	$ 116	$ 4,729,518
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						$ 392,858
Interfund payables						257,092
Settlements pending	$ 379	$ 79,178	$ 23,747	$ 432,140	$ 116	535,560
Total Liabilities	379	79,178	23,747	432,140	116	1,185,510
Fund Balances:						
Restricted						2,946,627
Assigned						597,381
Total Fund Balances						3,544,008
TOTAL LIABILITIES AND FUND BALANCES	$ 379	$ 79,178	$ 23,747	$ 432,140	$ 116	$ 4,729,518

CITY OF BLYTHEVILLE, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Airport	Advertising and Promotion	Magnetek	Court Automation	Infrastructure Improvement	Police	Fire	Public Safety	Parks and Recreation
REVENUES									
State aid							$ 184,435		$ 249,749
Federal aid	$ 161,876								
Sales taxes	3,484				$ 1,064,299	$ 532,150	532,149	$ 1,783,419	1,064,299
Fines, forfeitures, and costs				$ 13,592	1,120				
Interest	657	$ 269	$ 242	388		86	20,293		2,213
Advertising and promotion taxes		134,085							
Land rent	8,214								
Hangar fees	37,080								
Fuel sales	5,366								
Other	7,882			283		18,488	5,143		62,723
TOTAL REVENUES	224,559	134,354	242	14,263	1,065,419	550,724	742,020	1,783,419	1,378,984
EXPENDITURES									
Current:									
General government									
Law enforcement				12,825	77,798	590,857		1,566,355	
Highways and streets					760,929				
Public safety							683,965	627,123	
Sanitation					413,250				
Recreation and culture									1,956,076
Advertising and promotion		122,100							
Airport	367,200								
Total Current	367,200	122,100		12,825	1,251,977	590,857	683,965	2,193,478	1,956,076
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	367,200	122,100		12,825	1,251,977	590,857	683,965	2,193,478	1,956,076
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(142,641)	12,254	242	1,438	(186,558)	(40,133)	58,055	(410,059)	(577,092)
OTHER FINANCING SOURCES (USES)									
Transfers in	140,000					10,000			353,399
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,641)	12,254	242	1,438	(186,558)	(30,133)	58,055	(410,059)	(223,693)
FUND BALANCES - JANUARY 1	22,189	86,043	98,316	157,089	610,084	91,700	1,590,802	676,870	747,553
FUND BALANCES - DECEMBER 31	$ 19,548	$ 98,297	$ 98,558	$ 158,527	$ 423,526	$ 61,567	$ 1,648,857	$ 266,811	$ 523,860

CITY OF BLYTHEVILLE, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
	Drug Control	Community Development Block Grant	2001 Maintenance Construction	2019 Sales and Use Tax Bond, Series 2019	Totals
REVENUES					
State aid					$ 434,184
Federal aid					161,876
Sales taxes				$ 345,179	5,324,979
Fines, forfeitures, and costs	$ 23,603				38,315
Interest			$ 14	7,253	31,415
Advertising and promotion taxes					134,085
Land rent					8,214
Hangar fees					37,080
Fuel sales					5,366
Other		$ 100			94,619
TOTAL REVENUES	23,603	100	14	352,432	6,270,133
EXPENDITURES					
Current:					
General government		27	96	1,650	1,773
Law enforcement	35,394				2,283,229
Highways and streets					760,929
Public safety					1,311,088
Sanitation					413,250
Recreation and culture					1,956,076
Advertising and promotion					122,100
Airport					367,200
Total Current	35,394	27	96	1,650	7,215,645
Debt Service:					
Bond principal				315,000	315,000
Bond interest and other charges				29,250	29,250
TOTAL EXPENDITURES	35,394	27	96	345,900	7,559,895
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,791)	73	(82)	6,532	(1,289,762)
OTHER FINANCING SOURCES (USES)					
Transfers in					503,399
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER EXPENDITURES AND OTHER USES	(11,791)	73	(82)	6,532	(786,363)
FUND BALANCES - JANUARY 1	86,104		4,625	158,996	4,330,371
FUND BALANCES - DECEMBER 31	$ 74,313	$ 73	$ 4,543	$ 165,528	$ 3,544,008

CITY OF BLYTHEVILLE, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(UNAUDITED)

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

Fund Name	Fund Description
Airport	Ark. Code Ann. §§ 14-360-101 - 105 authorized cities to own, operate, and manage airports or flying fields. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued for the purchase and improvement of the airport or flying field.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Magnetek	Established by the City to account for restricted bond proceeds used to fund improvements and repairs to the Magnetek building. Interest on the fund and other sources have also been added to the fund.
Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of $5 per month on each person to be used for court-related technology.
Infrastructure Improvement	Blytheville Ordinance no. 1429 (November 18, 1997) established fund to receive one quarter of one percent sales and use tax, approved by voters, to pay for the cost of improvements and betterments to the infrastructure of the City, including but not limited to, maintaining and closing ditches, building and repairing sidewalks, and maintaining alleyways.
Police	Blytheville Ordinance no. 1683 (January 20, 2009) established fund to receive one quarter of one percent sales and use tax, approved by voters, to pay the related expenses to finance all or a portion of police and fire protection expenditures.
Fire	Blytheville Ordinance no. 1683 (January 20, 2009) established fund to receive one quarter of one percent sales and use tax, approved by voters, to pay the related expenses to finance all or a portion of police and fire protection expenditures.
Public Safety	Blytheville Ordinance no. 1814 (February 21, 2017) established fund to receive one half of one percent sales and use tax, approved by voters, to fund public safety purposes (including police, firefighting, code enforcement and animal control purposes) and to pay and secure the repayment of bonds approved by the voters and issued by the City from time to time to finance capital improvements.
Parks and Recreation	Blytheville Ordinance no. 1648 (July 17, 2007) established fund to receive one quarter of one percent sales and use tax, approved by voters, to pay the related expenses to finance all or a portion of park and recreational expenditures.

CITY OF BLYTHEVILLE, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(UNAUDITED)

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

Fund Name	Fund Description
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Community Development Block Grant	Established to account for a community development block grant for the ATLAS tube project.
2001 Maintenance Construction	Blytheville Ordinance no. 1516 (February 20, 2001) established fund to receive bond issue proceeds, approved by voters, to pay the related expenses to finance all or a portion of the cost of capital improvements.
2019 Sales and Use Tax Bond, Series 2019	Blytheville Ordinance no. 1871 (March 19, 2019) established fund to receive one half of one percent sales and use tax, and pay principal and interest on bonds, approved by votes, for the purpose of finance all or a portion of the cost of the Justice Center.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Police Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.
District Court Clerk - Small Claims/Civil	Ark. Code Ann. § 16-17-707 established account to receive fees relating to small claims and civil case filings.
Payroll	Established to process the payroll of City's employees.
Grant	Established for receipt of grant funds and remittance to the appropriate fund.

1. A. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Enterprise Funds). The Capital Projects Fund presented on Schedules 1 and 2 is reported with other funds in the aggregate.

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

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

1. (Continued)

B. Basis of Accounting - Regulatory

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

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

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

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance - amounts that are constrained by the City Council’s intent to be used for specific purposes but are neither restricted nor committed.

3. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

D. Property Taxes

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

1. (Continued)

E. Budget Law

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

a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

b. The proposed budget is discussed at a City Council meeting prior to adoption.

c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.

d. Appropriations lapse at the end of each year.

e. Under certain conditions, the budget may be amended subsequent to the year-end.

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

Basis of Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year end.

2. Details of Fund Balance Classifications

Fund balance classifications at December 31, 2025, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			$ 522,084
Law enforcement			511,218
Public safety			1,644,957
Advertising and promotion			98,297
Capital outlay			4,543
Debt service			165,528
Total Restricted			2,946,627
Assigned to:			
General government			73
Law enforcement			50,000
Highways and streets		$ 118,599	
Public safety			3,900
Recreation and culture			523,860
Airport			19,548
Total Assigned		118,599	597,381
Unassigned	$ 8,365,447		
Totals	$ 8,365,447	$ 118,599	$ 3,544,008

3. Commitments

Total commitments consist of the following at December 31, 2025:

	December 31, 2025
Long-term liabilities	$ 1,779,707
Leases	555,463
Subscription-Based Information Technology Arrangements	59,145
Construction contract	842,084
Total Commitments	$ 3,236,399

3. Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2025, are comprised of the following:

	December 31, 2025
Bonds	
2019 Sales and Use Tax bonds, dated April 30, 2019, in the amount of $2,420,000, due in annual installments of $270,000-$335,000 plus interest through September 1, 2027; interest of 3.0%. Payments are to be made from the 2019 Sales and Use Tax Bond, Series 2019 Debt Service Fund.	$ 660,000
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	1,119,707
Total Long-term liabilities	$ 1,779,707

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

The City's outstanding bonds payable of $660,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

Change in Compensated Absences

	December 31, 2025
Beginning balance compensated absences	$ 1,052,740
Ending balance compensated absences	1,119,707
Net increase (decrease)	$ 66,967

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2025	Maturities to December 31, 2025
Bonds					
4/30/19	9/1/27	3.00%	$ 2,420,000	$ 660,000	$ 1,760,000

3. Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2025	Issued	Retired	Balance December 31, 2025
Bonds payable	$ 975,000	$ 0	$ 315,000	$ 660,000

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2025:

Years Ending	Bonds		
December 31,	Principal	Interest	Total
2026	$ 325,000	$ 19,800	$ 344,800
2027	335,000	10,050	345,050
Totals	$ 660,000	$ 29,850	$ 689,850

Leases

The City entered into a lease agreement for three (3) knuckleboom loaders on April 11, 2024. Terms of the lease are monthly rental payments of $13,665 for 24 months. At the end of the lease term, the City intends to return the equipment.

The City entered into a lease agreement for three (3) garbage trucks on April 11, 2024. Terms of the lease are monthly rental payments of $17,308 for 24 months. At the end of the lease term, the City intends to return the equipment.

The City entered into a lease agreement for a roll off garbage truck on April 18, 2024. Terms of the lease are monthly rental payments of $3,464 for 60 months. At the end of the lease term, the City intends to return the equipment.

The City entered into a lease agreement for golf equipment on November 1, 2024. Terms of the lease are monthly rental payments of $4,312 for 60 months. At the end of the lease term, the City intends to return the equipment.

The City entered into a lease agreement for a Street Sweeper on June 26, 2025. Terms of the lease are monthly rental payments of $6,980 for 24 months. At the end of the lease term, the City intends to return the sweeper.

Year	December 31, 2025
2026	$ 269,990
2027	135,189
2028	93,309
2029	56,975
Total	$ 555,463

Lease expense for 2025, was $544,934.

3. Commitments (Continued)

Subscription-Based Information Technology Arrangements (SBITA)

The City entered into a Subscription-Based Information Technology Arrangement (SBITA) for an automated time and attendance system on October 16, 2024. Terms of the SBITA are annual subscription payments of $19,715 for 60 months. The City is obligated for the following amounts for the next three years:

Year	December 31, 2025
2026	$ 19,715
2027	19,715
2028	19,715
Total	$ 59,145

Subscription expense for 2025, was $19,715.

Construction Contract

The City was contractually obligated for the following construction contract at December 31, 2025:

Project Name	Completion Date	Contract Balance December 31, 2025
Airport hangar and taxilane	June 15, 2026	$ 842,084

4. Interfund Transfers

The General Fund transferred $1,614,000 to the Street Fund to supplement highway and street expenditures and $503,399 to Other Funds in the Aggregate ($140,000 to Airport, $353,399 to Parks and Recreation, and $10,000 to Police) to supplement operations.

5. Pledged Revenues

The City pledged future .50% sales and use taxes to repay $2,420,000 in bonds that were issued in 2019 to provide funding for financing all or a portion of the cost of capital improvements for the Justice Center Complex. Total principal and interest remaining on the bonds are $660,000 and $29,850, respectively, payable through September 1, 2027. For 2025, principal and interest and other charges paid were $315,000 and $29,250, respectively.

The Debt Service Fund received $345,179 in sales taxes in 2025. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for public safety purposes.

6. Jointly Governed Organization- Second Judicial District Drug Task Force

The Prosecuting Attorney's Office of the Second Judicial District, the Sheriffs' Departments of Clay, Craighead, Crittenden, Greene, Mississippi, and Poinsett Counties and the Police Departments of Blytheville, Corning, Jonesboro, Marion, Osceola, Paragould, Piggott, Trumann, and West Memphis entered into an agreement to establish the Second Judicial District Drug Task Force. The last agreement covered the period January 1, 2023 to December 31, 2024, and was verbally extended to cover January 1, 2025 to December 31, 2025. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Second Judicial District. No contributions or payments for expenditures were made to the Second Judicial District Drug Task Force by the City. The 2025 financial statements of the Second Judicial District Drug Task Force have not been audited.

7. Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)

Plan Description

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

On December 31, 2020, and May 18, 2004, administration of the City of Blytheville Firemen's Pension and Relief Fund and the City of Blytheville Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

A. Paid service not covered by Social Security: 8.5% of gross pay

B. Paid service also covered by Social Security: 2.5% of gross pay

C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was $925,392 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $406,686 for the year ended December 31, 2025.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2025, (actuarial valuation date and measurement date) was $5,500,323.

8. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 6.00% as of July 1, 2025. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2025, (date of APERS Employer Allocation Report) was $6,376.

8. Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2025, (actuarial valuation date and measurement date) was $36,486.

9. Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayors Barrett Harrison and James Sanders $35,124 and $41,893, respectively, for the year ended December 31, 2025.

10. Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk Grace Haynie and Clerk/Treasurer Connie Brents $17,755 and $24,921, respectively, for the year ended December 31, 2025.

11. Nonuniformed Employee Pension Plan (A Defined Contribution Plan)

Plan Description

On July 1, 1987, the City established a defined contribution plan for all nonuniformed employees with a private insurance carrier who maintains accounts for the City. In a defined contribution pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The contribution plan requires the City to contribute to the insurance carrier an amount equal to six percent of the employee's base salary. The City's contribution shall be invested ratably in the guaranteed benefit portion of the annuity contract unless the employee chooses otherwise. Eligibility commences on year from date of employment and employees are vested after five years. City contributions for and interest forfeited by employees who leave employment before being fully vested are used to reduce the City's future period contribution requirements. Interest earned is credited to each employee's account. Employees are entitled only to the funds deposited on their behalf. The contribution to the plan was $103,132 for the year ending December 31, 2025.

12. Capital Assets

The Municipality's capital assets records are summarized below:

	December 31, 2025
Land, Buildings, and Improvements	$ 25,040,506
Equipment	11,969,147
Construction in progress	308,664
Total	$ 37,318,317

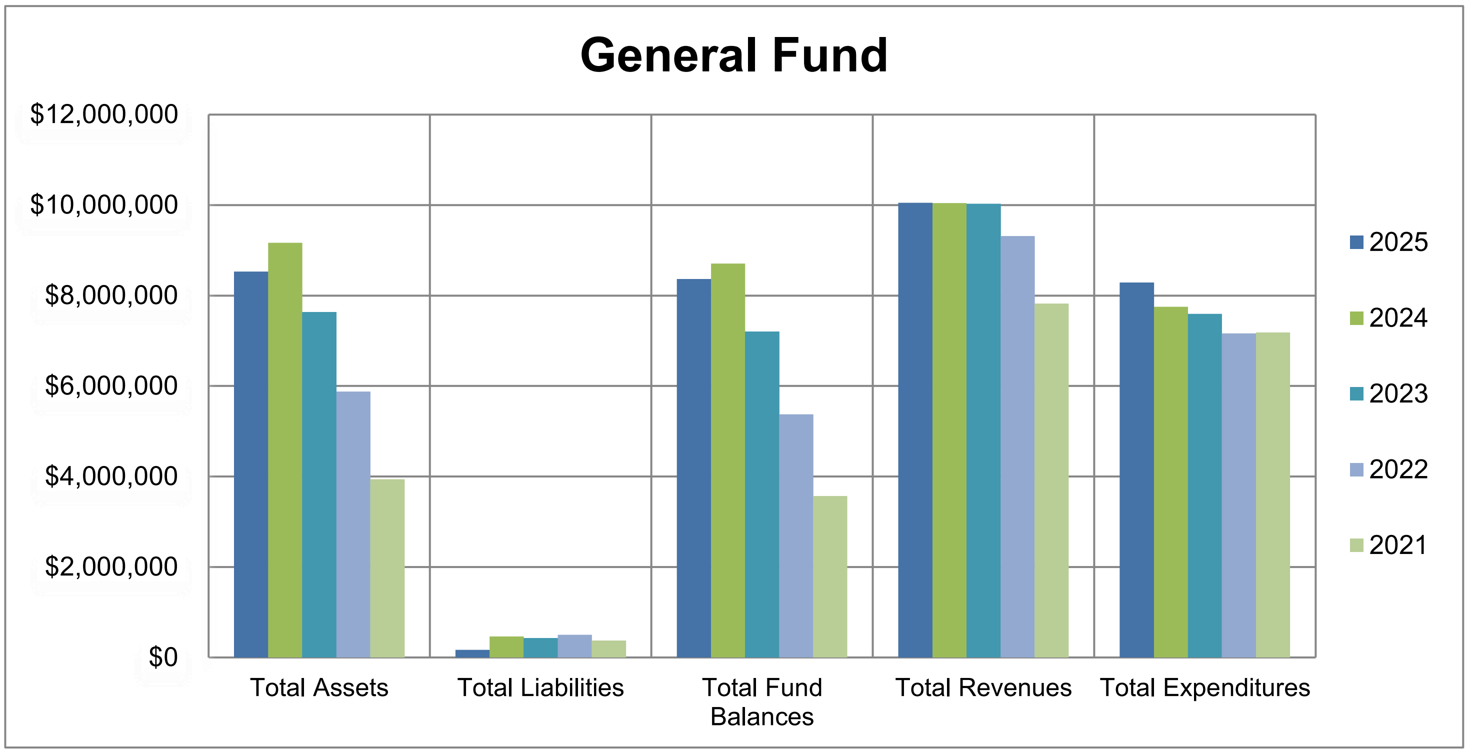
13. Subsequent Event

On April 1, 2026, the city made a down payment of $1,000,000 for the purchase of a ladder fire truck. The remaining balance of $772,003 is to be made upon delivery.

CITY OF BLYTHEVILLE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2025
(Unaudited)

Schedule 3-1

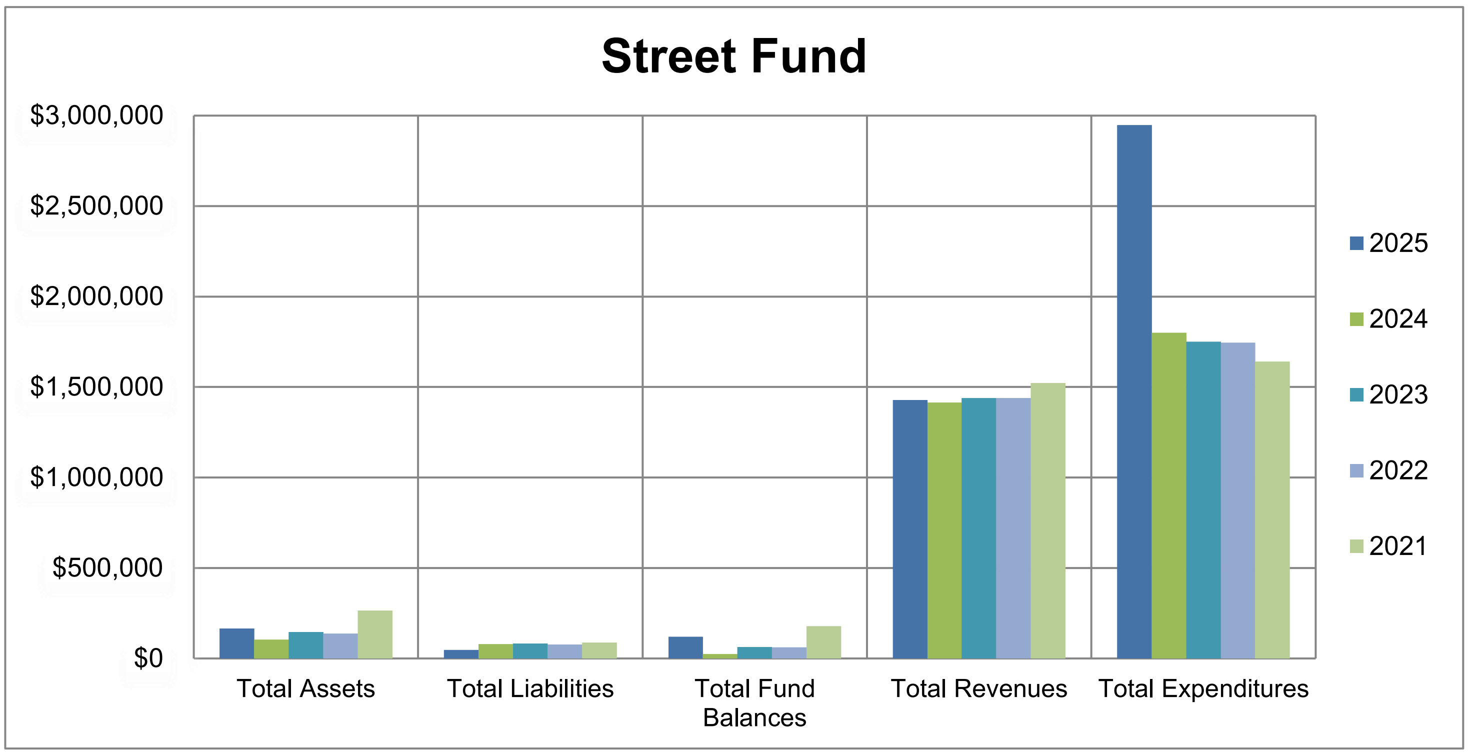
General	2025	2024	2023	2022	2021
Total Assets	$ 8,530,217	$ 9,167,047	$ 7,633,961	$ 5,872,740	$ 3,940,316
Total Liabilities	164,770	465,803	430,549	497,750	369,513
Total Fund Balances	8,365,447	8,701,244	7,203,412	5,374,990	3,570,803
Total Revenues	10,045,595	10,038,509	10,025,345	9,313,220	7,823,028
Total Expenditures	8,288,370	7,748,716	7,591,380	7,159,553	7,181,835
Total Other Financing Sources/Uses	(2,114,683)	(791,961)	(605,543)	(349,480)	(288,429)



CITY OF BLYTHEVILLE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2025
(Unaudited)

Schedule 3-2

Street	2025	2024	2023	2022	2021
Total Assets	$ 164,799	$ 102,834	$ 145,235	$ 137,452	$ 265,096
Total Liabilities	46,200	78,949	82,043	76,584	86,856
Total Fund Balances	118,599	23,885	63,192	60,868	178,240
Total Revenues	1,428,422	1,413,432	1,439,181	1,438,159	1,522,291
Total Expenditures	2,947,708	1,798,739	1,750,857	1,744,531	1,641,029
Total Other Financing Sources/Uses	1,614,000	346,000	314,000	189,000	169,836



CITY OF BLYTHEVILLE, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2025
(Unaudited)

Schedule 3-3

Other Funds in the Aggregate	2025	2024	2023	2022	2021
Total Assets	$ 4,729,518	$ 4,837,927	$ 4,532,098	$ 7,491,865	$ 6,173,861
Total Liabilities	1,185,510	507,556	406,061	737,857	543,356
Total Fund Balances	3,544,008	4,330,371	4,126,037	6,754,008	5,630,505
Total Revenues	6,270,133	5,884,657	6,080,145	6,829,322	6,692,095
Total Expenditures	7,559,895	6,118,634	6,405,757	5,395,203	5,965,633
Total Other Financing Sources/Uses	503,399	438,311	(2,294,109)	(310,616)	(93,238)